



Yucaipa Valley Water District

Notice and Agenda of a Board Workshop

Tuesday, November 10, 2015 at 4:00 p.m.

MEETING LOCATION: District Administration Building
12770 Second Street, Yucaipa

MEMBERS OF THE BOARD: Director Ken Munoz, Division 1
Director Bruce Granlund, Division 2
Director Jay Bogh, Division 3
Director Lonni Granlund, Division 4
Director Tom Shalhoub, Division 5

I. Call to Order

II. Public Comments At this time, members of the public may address the Board of Directors on matters within its jurisdiction; however, no action or significant discussion may take place on any item not on the meeting agenda.

III. Staff Report

IV. Presentations

- A. Overview of Proposed Plans to Expand the Yucaipa Valley Water District's Recycled Water System [[Workshop Memorandum No. 15-220 - Page 5 of 168](#)]
- B. Overview of the Audited Financial Statements for the Fiscal Year Ending on June 30, 2015 [[Workshop Memorandum No. 15-221 - Page 18 of 168](#)]
- C. Overview of the California Drought and Yucaipa Valley Water District's Action Plan Related to the State Water Resources Control Board Mandatory Restrictions to Achieve a 36% Reduction in Potable Urban Water Use [[Workshop Memorandum No. 15-222 - Page 77 of 168](#)]
- D. Discussion Regarding a Cooperative Partnership with Curiosity Quest to Create Informational Videos for Various District Programs [[Workshop Memorandum No. 15-223 - Page 85 of 168](#)]

V. Capital Improvement Projects

- A. Status Report on the Construction of a 6.0 Million Gallon Drinking Water Reservoir R-12.4 - Calimesa [[Workshop Memorandum No. 15-224 - Page 88 of 168](#)]
 - B. Status Report on the Installation of a 30" Drinking Water Pipeline and a 12" Drinking Water Pipeline in Second Street, Yucaipa [[Workshop Memorandum No. 15-225 - Page 93 of 168](#)]
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Any person with a disability who requires accommodation in order to participate in this meeting should telephone Erin Anton at (909) 797-5117, at least 48 hours prior to the meeting in order to make a request for a disability-related modification or accommodation.

Materials related to an item on this agenda submitted to the Board of Directors after distribution of the workshop packet are available for public inspection during normal business hours at the District office located at 12770 Second Street, Yucaipa. Meeting material is also be available on the District's website at www.yvwd.dst.ca.us

- C. Status Report on the Installation of New Recycled Water Services and Recycled Water Pipelines Throughout the Service Area of the Yucaipa Valley Water District [[Workshop Memorandum No. 15-226 - Page 99 of 168](#)]
- D. Status Report on the Digester Cleaning and Cover Replacement Project at the Wochholz Regional Water Recycling Facility [[Workshop Memorandum No. 15-227 - Page 102 of 168](#)]
- E. Status Report on the Construction of Drinking Water Replacement Pipelines in Date Street, Dodd Street, Panorama Drive, Lennox Street, Verona Street and Calvin Street [[Workshop Memorandum No. 15-228 - Page 104 of 168](#)]

VI. Administrative Issues

- A. Review of the Unaudited Financial Report for the Period Ending on October 31, 2015 [[Workshop Memorandum No. 15-229 - Page 106 of 168](#)]
- B. Discussion Regarding the Increased Implementation and Distribution of Weather-Based Wi-Fi Irrigation Controllers for Residential Water Customers of the Yucaipa Valley Water District [[Workshop Memorandum No. 15-230 - Page 137 of 168](#)]
- C. Discussion Regarding a Draft Surplus Recycled Water Exchange Agreement Between Yucaipa Valley Water District and Beaumont Cherry Valley Water District [[Workshop Memorandum No. 15-231 - Page 146 of 168](#)]
- D. Discussion Regarding a Draft Joint Use Agreement for the Nobel Creek Recharge Facility [[Workshop Memorandum No. 15-232 - Page 156 of 168](#)]

VII. Director Comments

VIII. Adjournment

Staff Report



Yucaipa Valley Water District

Presentations



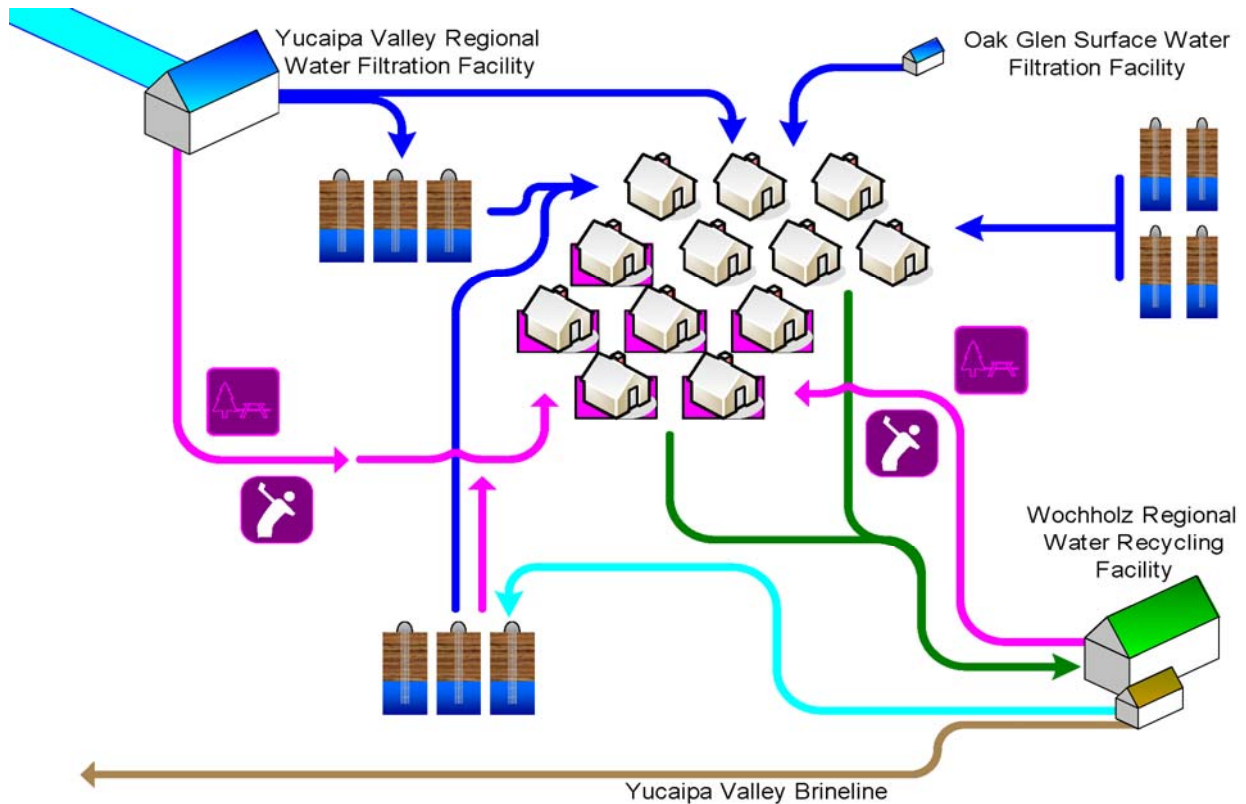
Yucaipa Valley Water District



Date: November 10, 2015

Subject: Overview of Proposed Plans to Expand the Yucaipa Valley Water District's Recycled Water System

On August 20, 2008, the Board of Directors adopted Resolution No. 11-2008 establishing a strategic plan for the management, integration and preservation of water resources. This Plan embodied the concepts of water resource management and the full integration of services offered by the Yucaipa Valley Water District. A fundamental component of the District's overall strategic plan is to increase the amount of recycled water used throughout the sphere of influence of the Yucaipa Valley Water District.



Recycled Water Quality

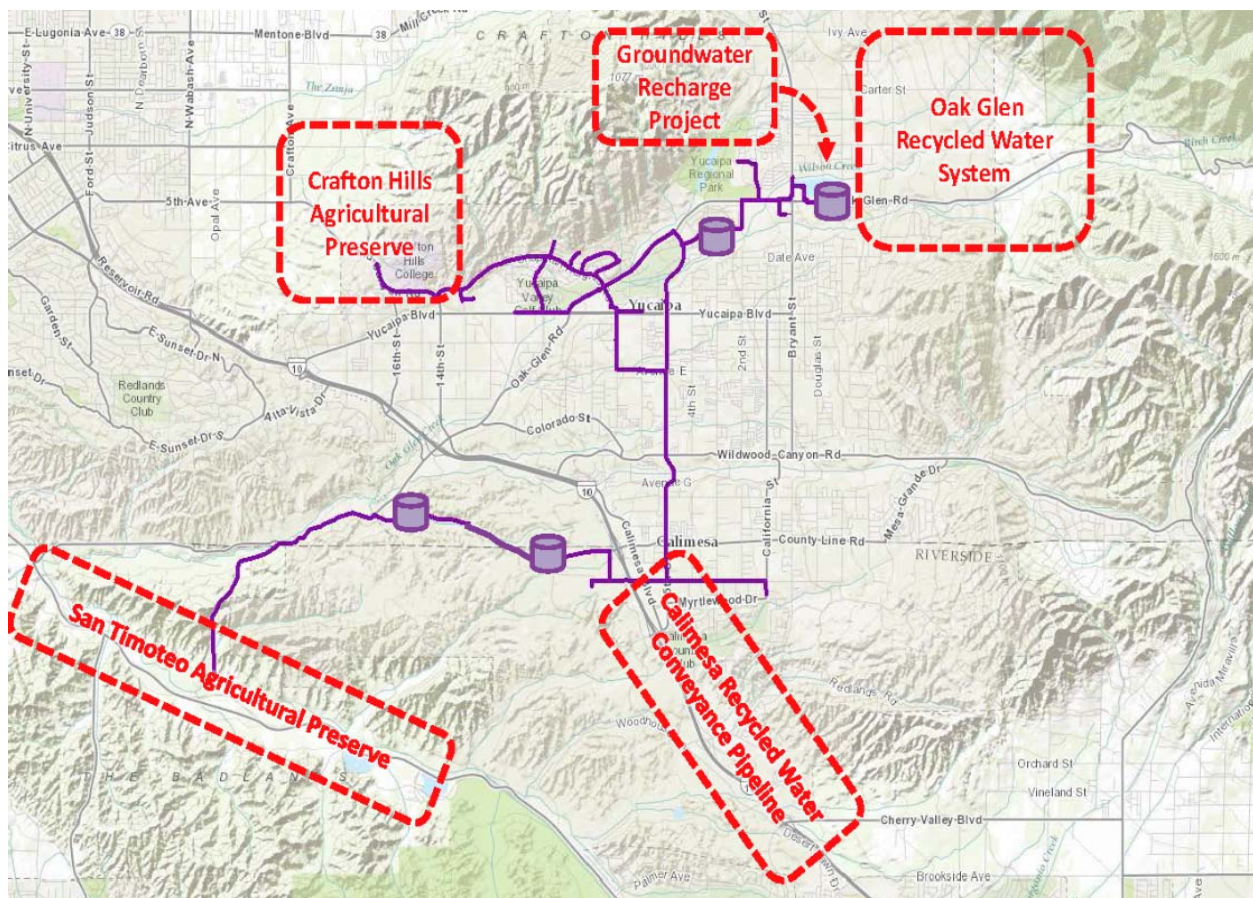
Sewer treatment plants are required to provide a level of treatment to protect beneficial uses downstream of discharge points. These requirements dictate that a sewer treatment plant located in Yucaipa, Calimesa or Beaumont discharge extremely high quality recycled water to protect downstream uses throughout the Santa Ana Watershed.

Over the past decade, the regulatory requirements have been significantly increased to require treatment processes that reduce minerals (salinity) and nitrogen. This level of treatment requires equipment and purification processes that are similar to those found in drinking water filtration facilities.

Recognizing that recycled water is a highly pure and reliable source of water, the Board of Directors approved the construction of several projects designed to maximize the use of recycled water throughout the Yucaipa Valley Water District's sphere of influence. These facilities are now largely completed.

On June 11, 2013, the District staff provided an overview of our existing recycled water system and proposed recycled water pipelines to further expand the use of recycled water in the region [Workshop Memorandum No. 13-119]. The discussion focused primarily on the following five projects:

- The Oak Glen Recycled Water System;
- The Wilson Creek Groundwater Recharge Project;
- The Crafton Hills Agricultural Preserve;
- The Calimesa Recycled Water Conveyance Pipeline; and
- The San Timoteo Agricultural Preserve.



At the regular board meeting on December 3, 2014, the Board of Directors adopted Resolution No. 2014-20 regarding the expansion of the recycled water system to indicate support of the five

proposed projects [Director Memorandum 14-098]. On January 21, 2015, the District staff refined Resolution No. 2014-20 to focus on the following three recycled water pipeline projects: one in San Timoteo Canyon; one in Oak Glen; and the other in Mentone [Director Memorandum No. 15-011]. The goal of these projects are to reduce the use of groundwater for irrigation purposes by utilizing recycled water produced by the Wochholz Regional Water Recycling Facility. In all three cases, the quality of the recycled water will easily meet the Basin objectives established by the Regional Water Quality Control Board in each area.

On January 21, 2015, the Board of Directors approved Resolution Nos. 2015-06, 2015-07, and 2015-08 supporting additional phases of the Integrated Recycled Water and Drought Preparedness Pipeline Projects in San Timoteo (Phase 3), Oak Glen (Phase 4), and Mentone (Phase 5).

For all three proposed pipeline projects, the size of the recycled water pipelines will take into consideration: (1) the needs of customers; (2) existing and future sources of supply from other wastewater treatment plants; and (3) the full integration of a recycled water system for regional benefit. Additionally, based on the Board of Directors approval of the attached resolutions, the District staff would initiate efforts to secure funding for these projects from various sources including, but not limited to project partners, loans, and grants.

Groundwater Recharge with Recycled Water

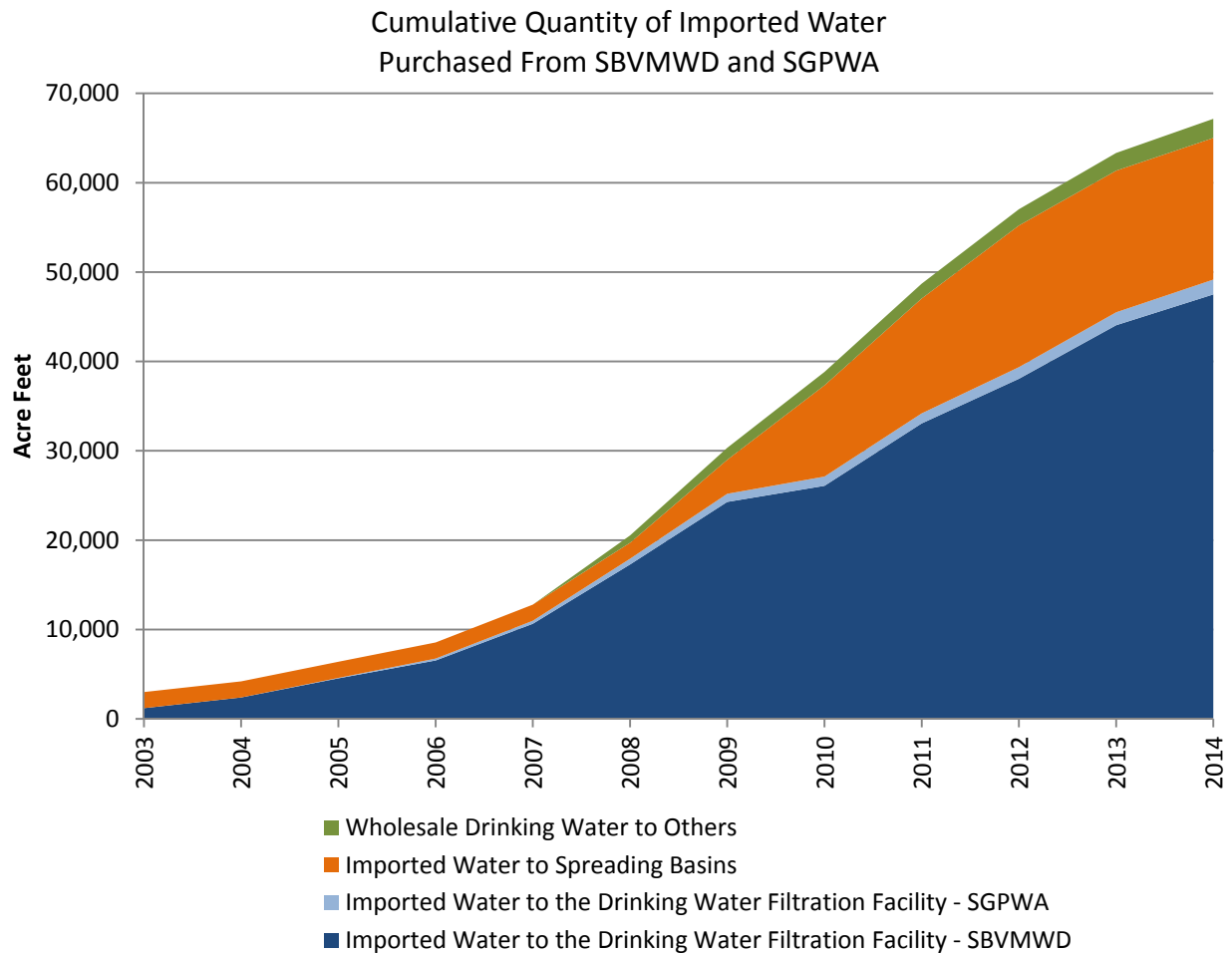
The Yucaipa Valley Water District has been actively recharging imported water at the Wilson Creek Spreading Basins for several years. Since 2003, the District has recharged nearly 16,000 acre feet of imported water at this location. This recharge strategy has resulted in increased water stored in the Gateway Groundwater Basin, which is the groundwater basin located immediately below the Wilson Creek recharge facilities.

On September 16, 2015, the Board of Directors authorized the District staff to complete the necessary applications for the recharge of recycled water at the Wilson Creek Spreading Basins. [Director Memorandum No. 15-086] This is an important project that will improve the overall drought resiliency of the local groundwater basin.



Overall, our groundwater management strategy involving the active recharge of water and the in-lieu recharge via direct delivery of imported water to the Yucaipa Valley Regional Water Filtration

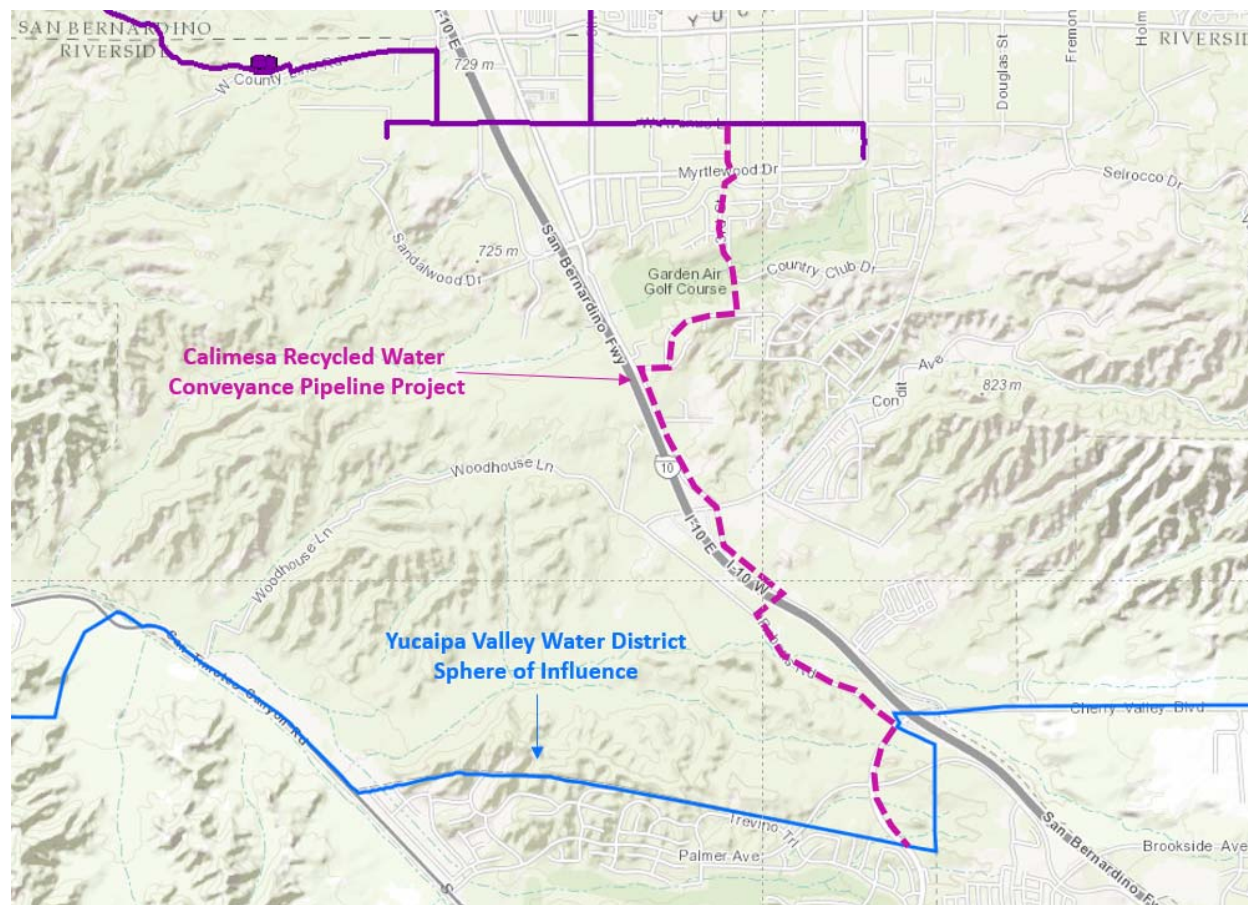
Facility has enabled the Yucaipa Valley Water District to store nearly 70,000 acre feet of water in the region. This represents about a six year supply of drinking water.



Beaumont Cherry Valley Water District - Recycled Water System Interconnection

On September 23, 2014, the District staff provided a status report on the Calimesa Recycled Water Conveyance Pipeline Project that will consist of approximately 18,500 linear feet of 24” recycled water pipeline that will provide recycled water to the southern Calimesa service area and provide for an interconnection with Beaumont Cherry Valley Water District.

Prior to soliciting bids for this project, the District staff will be securing alternative funding from the State Water Resources Control Board to maximize the use of District funds to expand the recycled water system.



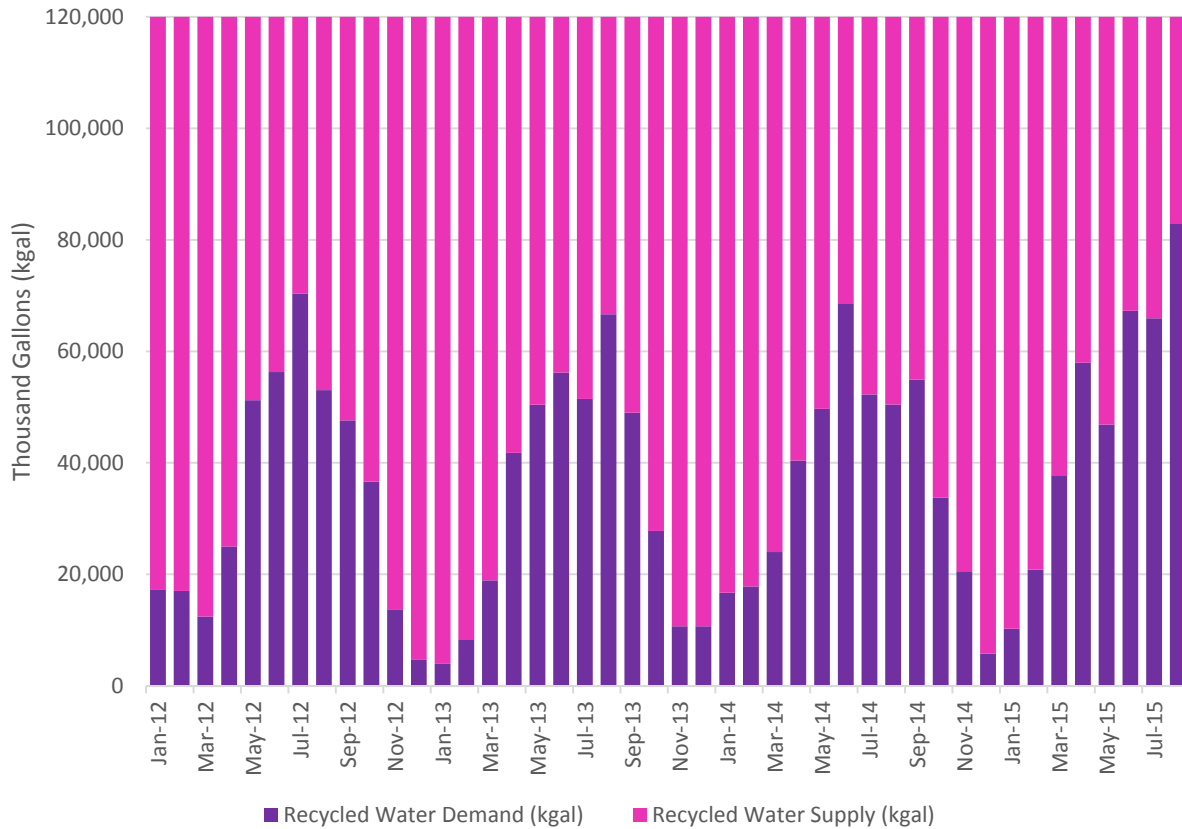
This proposed pipeline will enable the District to reduce the drinking water use to proposed projects in the City of Calimesa as well as provide an opportunity to exchange recycled water with the Beaumont Cherry Valley Water District. The use of this conveyance pipeline will provide an opportunity to deliver recycled water that is surplus to the needs of our community. Likewise, the delivery of recycled water from Beaumont Cherry Valley will only be the quantity of recycled water that is surplus to the needs of their community. The collaborative operation of this recycled water system interconnection will reduce the long-term drought impacts of both communities and increase the protection of local groundwater resources.

Recycled Water Seasonal Storage Project

The efficient use of recycled water requires that the supplies and demands for irrigation customers is balanced as they vary significantly throughout the year. Surplus recycled water generated during the winter months is discharged to San Timoteo Creek because the District lacks the storage capacity to hold it until it can be utilized in the summer months. As our recycled water demands continue to grow, it is highly likely that the peak summer recycled water demands will need to be supplemented with other water sources like groundwater or imported water.

The illustration below shows the surplus recycled water currently available (dark purple) as compared to the current recycled water demands (light purple).

Recycled Water Supply and Demand



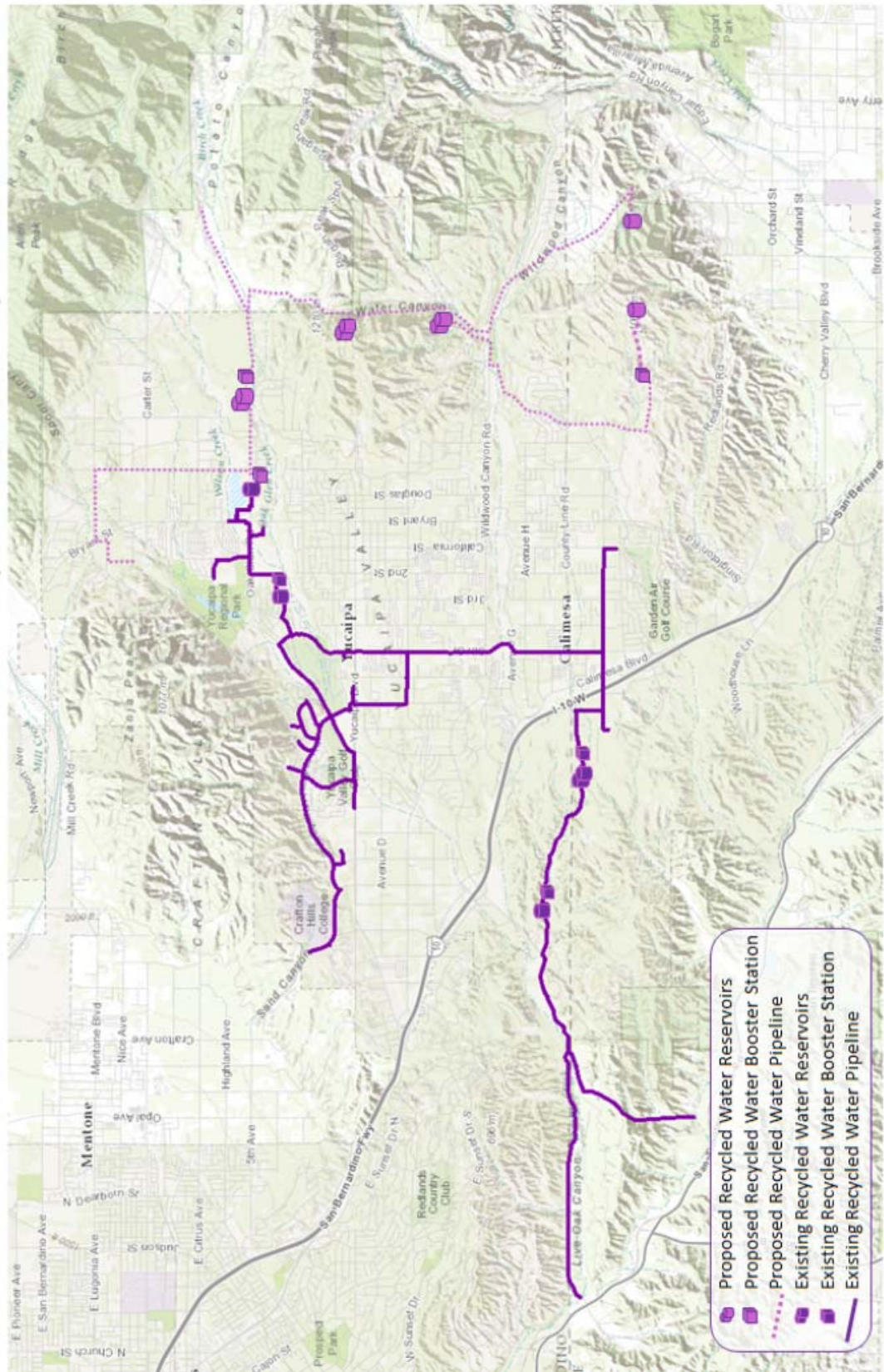
On October 21, 2015, the Board of Directors approved Resolution No. 2015-19 that supported the investigation and evaluation of a Regional Recycled Water Seasonal Storage Project [Director Memorandum No. 15-097]

The following illustration shows the proposed recycled water facilities without the seasonal storage project.



Integrated Recycled Water and Drought Management Project

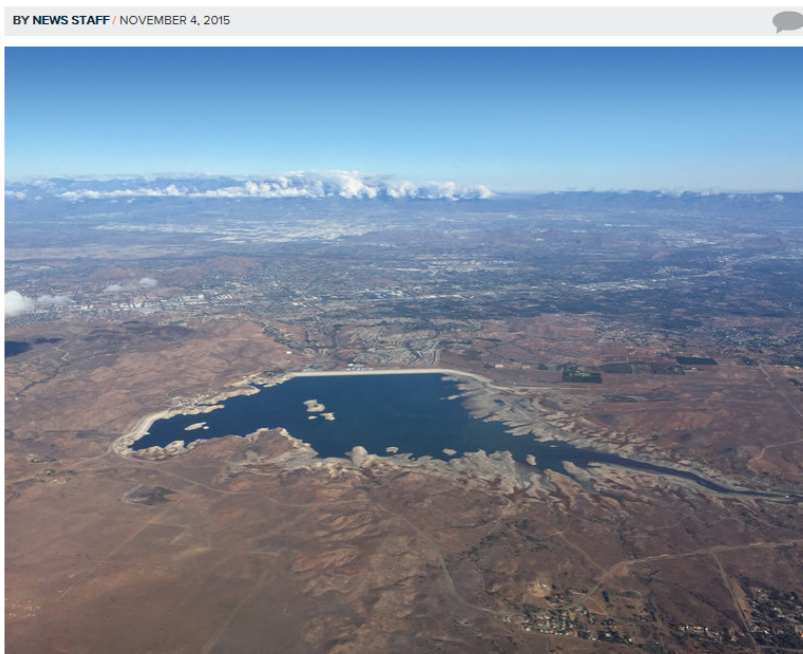
Proposed Phase IV Recycled Water Facilities





Purification Plant Would End L.A. Agency's Need for Northern California Water

The proposed project would treat sewage water and bring it up to drinking quality standards.



Water levels are low in many California reservoirs.

SHUTTERSTOCK/JOE BELANGER

Up against a historic drought and increasingly warm temperatures, one water management firm in Southern California is proposing a project it said would eliminate its need to draw from distant rivers and deltas.

The Water Replenishment District of Southern California, which provides water to about 4 million people in the southern part of Los Angeles County, proposed on Tuesday, Nov. 3, a water

purification plant that would allow it to take water from a sewage treatment plant, bring it up to quality standards, and then pump it into underground aquifers.

According to the *Los Angeles Times*, the project's finances haven't been nailed down yet — the money could come from state and local water bond programs — but the district plans on completing the facility in 2018.

The district already owns the project site, an industrial location in the city of Pico Rivera, sandwiched between Montebello and Whittier. District officials put the cost at \$95 million.

The Los Angeles area, abundant in population but not water, has a long history of drawing water from distant areas. Today the California State Water Project pumps water through hundreds of miles of desert and mountain from a river delta west of Stockton to the southern part of the state. The replenishment district draws on the delta as well as the Colorado River.

But the state has been in a drought of historic proportions for years, and an October report from the California Natural Resources Agency warned that residents need to buckle up for drought-like conditions to worsen. That's because the temperature continues to climb, leading to reduced snowpack in the Sierra Mountains — a big source of water for the delta that feeds into the California State Water Project.

For that very reason, the Natural Resources Agency has called on water districts to find ways to make their water sources more reliable.

The proposed purification plant should make the district entirely self-reliant, according to the *Times* article — it wouldn't have to draw water from non-local sources. It would also cut down the cost of water, as imported water costs about \$1,000 per acre foot and purified sewage water costs around \$200.

<http://www.govtech.com/fs/Purification-Plant-Would-End-LA-Agency-Need-for-Northern-California-Water.html>

takepart

Singapore Has No Natural Water Supply, but the Country Isn't Going Thirsty

The island nation uses recycled water, desalinization, and artificial reservoirs to meet water demand.

NOV 5, 2015



Kristine Wong is a regular contributor to TakePart and a multimedia journalist who reports on energy, the environment, sustainable business, and food.



Singapore's Marina Barrage reservoir. (Photo: Public Utility Board, Singapore)

In just 10 years, two out of three people will be living in a country that's struggling to meet demand for water, according to the United Nations. But even though Singapore has no aquifers or lakes, it's unlikely that nation's 5.5 million residents will be among the world's thirsty.

That's because the small island nation, which consumes 400 million gallons daily, has a water strategy that is arguably one of the most successful in the world.

"We have four national taps," George Madhavan, the spokesperson for Public Utility Board, Singapore's government agency in charge of water quality, conservation, and supply, said during a recent Meeting of the Minds urban-sustainability conference in California. The "taps" flow from desalinated seawater, recycled wastewater, water collected from rainfall, and an imported supply from neighboring Malaysia.

Having a reliable source of water has always been on the government's agenda, Madhavan said. "Without secure and reliable access to water in Singapore, business will not come," he said. "So that's a top priority to get a bigger piece of the pie."

The push to develop a mostly self-sufficient water supply has been credited to Lee Kuan Kew, the country's first prime minister, who took on the task in response to water shortages in the 1960s and '70s.

It wasn't a quick fix. It took 30 years to put the system in place.

The PUB water agency says its "jewel" is the ability to recycle used water, or wastewater from sinks and toilets, into what it calls NEWater. The NEWater purification process, which Singapore launched in 2003 (after getting tips from the Orange County Water District's wastewater-recycling plant in Southern California), meets 30 percent of daily water demand. While the recycled water is mainly used for industrial purposes, it also replenishes the country's 17 reservoirs.

Recycled water can also supply water for drinking and cooking. According to PUB, NEWater has passed 130,000 scientific tests and exceeds the drinking water standards set by the U.S. Environmental Protection Agency and guidelines issued by the World Health Organization.

Here's what happens: The wastewater travels through a network of deep tunnel sewer pipes, then goes through conventional treatment at a sewage treatment plant. It's then either returned to the sea or sent to one of the country's four NEWater plants for further purification, depending on demand.

The NEWater plants follow a three-step process. First, membranes filter out small particles such as solids and bacteria. Next, reverse osmosis takes out larger contaminants. Last, the water is disinfected with ultraviolet light and hydrogen peroxide.

But Madhavan said the government knew a large part of successfully integrating recycled wastewater to its supply hinged on whether Singaporeans would want to drink it in the first place.

"The difficult part isn't the technology," he said. "It's getting the community to embrace recycled water."

To do that, the country had to get rid of the "yuck" factor. For its NEWater branding campaign, it bottled the recycled water with a label featuring a cartoon water drop with a gigantic grin—and constructed a slick visitor center showing how the purification process works via games and interactive exhibits. The water agency also brought reporters to the Orange County Water District's water-recycling plant, as well as to one in Scottsdale, Arizona.

Another quarter of Singapore's daily demand is met by its two desalinization plants, which together can process 100 million gallons a day. Because the plants are energy-intensive, the country is experimenting with electrodeionization, a process that consumes less power.

The third tap comes from rainwater collected from drains, canals, rivers, and storm water collection ponds. (Residents aren't allowed to harvest water without the government's

permission.) In combination with water imports from Malaysia, the rainwater fulfills the remaining 45 percent of Singapore's daily water needs.

PUB is preparing for a projected doubling in demand by 2060. (Singapore's water agreement with Malaysia is set to expire in 2061.) The agency says it's on track to triple its NEWater production and build two new desalinization plants that together will meet 80 percent of demand in 2060.

Madhavan said Singapore thinks about water in a different way. "You don't want to drain it—you want to collect it," he said.

<http://www.takepart.com/article/2015/11/05/singapores-solution-water-crisis>



Date: November 10, 2015

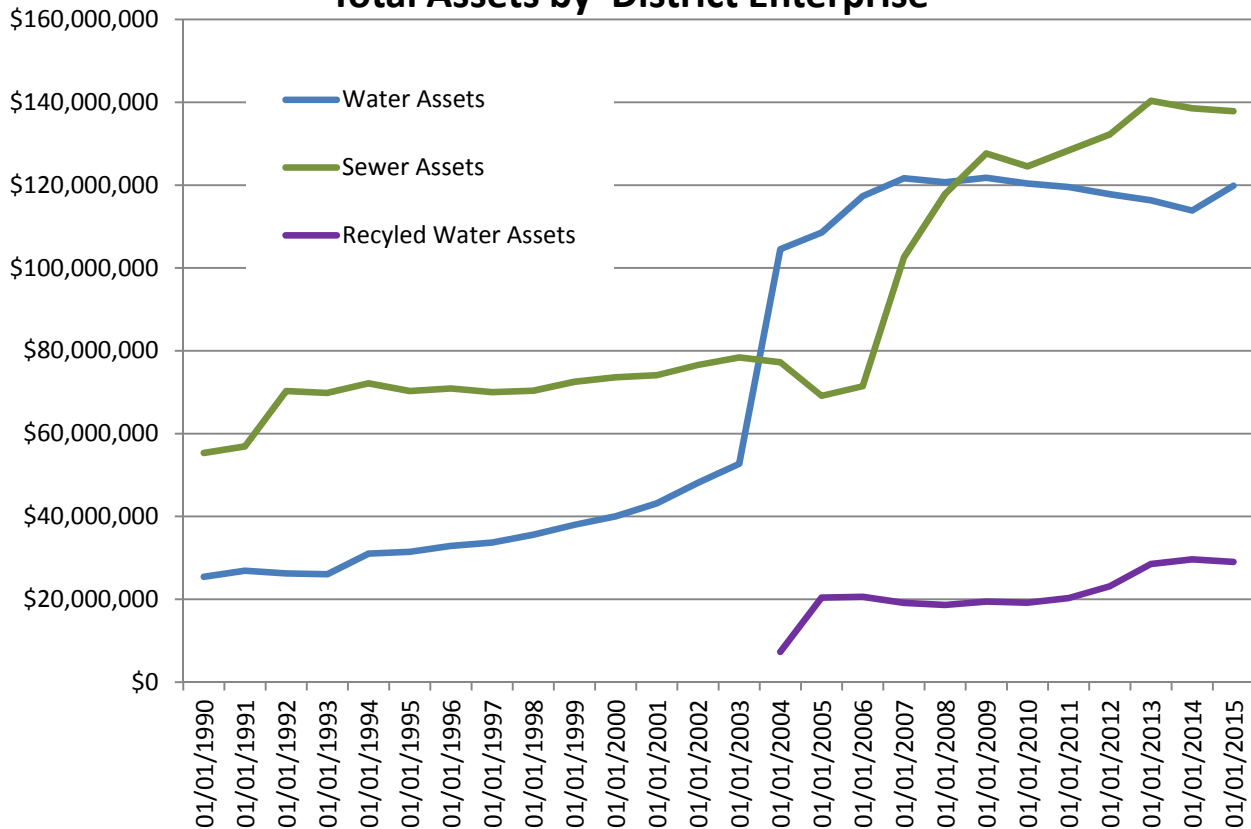
Subject: Overview of the Audited Financial Statements for the Fiscal Year Ending on June 30, 2015

The certified public accounting firm of Vavrinek, Trine, Day and Company has completed the financial audit for the fiscal year ending on June 30, 2015. Draft copies of the following documents are attached for your review:

- Statements on Auditing Standards (SAS 114) (page 2 of 59);
- Report on Internal Controls (GASAS Report) (page 4 of 59); and
- Audited Financial Statements (page 6 of 59).

A representative from Vavrinek, Trine, Day and Company will be at the board workshop to provide an overview of the audited financial documents and answer questions about the report. The attached draft documents will be presented in final form at the board meeting on November 18, 2015.

Total Assets by District Enterprise



Draft Copy 11/03/15

Board of Directors
Yucaipa Valley Water District
Yucaipa, California

We have audited the financial statements of the Water, Sewer, and Recycled Water Enterprise Funds of the Yucaipa Valley Water District (District) for the year ended June 30, 2015. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and *Government Auditing Standards*, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated July 10, 2015. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the District are described in Note 1 to the financial statements. As described in Note 1 to the financial statements, the District implemented Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions — an amendment of GASB Statement No. 27* and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date — an Amendment of GASB Statement No. 68*, as of July 1, 2014. Accordingly, the cumulative effect of the accounting change as of the beginning of the year is reported in the Statement of Revenues, Expenses, and Changes in Net Position.

We noted no transactions entered into by the District during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the District's financial statements were:

Management's estimates were used in the calculation of unbilled receivables and the determination of pension amounts. We evaluated the key factors and assumptions used to develop these estimates in determining that they are reasonable in relation to the financial statements taken as a whole.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting the financial statements were:

The disclosure of retirement benefits in Note 13 to the financial statements describes the District's retirement plan and the related deferred outflows/inflows of resources and the net pension liability required by the District's implementation of GASB 68 and GASB 71. The disclosure on the restatement of beginning net position in Note 19 describes the impact to beginning balances of the implementation of GASB 68 and GASB 71.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated November 2, 2015.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the District's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the District's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

We applied certain limited procedures to the Management's Discussion and Analysis, the Schedule of Pension Contributions, and the Schedule of the District's Proportionate Share of the Net Pension Liability which are required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were not engaged to report on the Transmittal Letter, which accompanies the financial statements but is not RSI. We did not audit or perform other procedures on this other information and we do not express an opinion or provide any assurance on it.

Restriction on Use

This information is intended solely for the use of the Board of Directors and management of the Yucaipa Valley Water District and is not intended to be, and should not be, used by anyone other than these specified parties.

Rancho Cucamonga, California
November 2, 2015

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INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON
AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH *GOVERNMENT AUDITING STANDARDS*

Board of Directors
Yucaipa Valley Water District
Yucaipa, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Water, Sewer, and Recycled Water Funds of the Yucaipa Valley Water District (District), as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated November 2, 2015. As described in our report, the District adopted Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions — an amendment of GASB Statement No. 27* and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date — an Amendment of GASB Statement No. 68*, as of July 1, 2014.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Rancho Cucamonga, California
November 2, 2015



Yucaipa Valley Water District

12770 Second Street, Yucaipa, California 92399

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Annual Financial Statements

for the

Fiscal Year Ending June 30, 2015

Board of Directors

Kenneth P. Munoz

Bruce Granlund

Jay Bogh

Lomni Granlund

Thomas Shalhoub

Division 1

Divisions 2

Division 3

Division 4

Division 5

Financial Audit Preparation Team:

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Administrative

Vicky Elisalda, Controller
Peggy Little, Administrative Supervisor
Erin Anton, Administrative Clerk IV
Sara Onate, Administrative Clerk IV
Tysa Baeumel, Administrative Clerk III

Engineering

Linda Kilday, Engineering Technician IV
Chelsie Fogus, Engineering Technician I

Inventory Control

Joan Cadiz, Purchasing Agent



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INTRODUCTION

It is my pleasure to provide the following financial report for Yucaipa Valley Water District ("District") for the fiscal year ended on June 30, 2015. The financial report was prepared by District staff following guidelines set forth by the Governmental Accounting Standards Board.

The District is ultimately responsible for both the accuracy of the data and the completeness and the fairness of presentation, including all disclosures in this financial report. We believe that the data presented is accurate in all material respects. This report is designed in a manner that we believe necessary to enhance your understanding of the District's financial position and activities.

Generally Accepted Accounting Principles (GAAP) requires that management provide a narrative introduction, overview and analysis to accompany the financial statements in the form of the Management's Discussion and Analysis (MD&A) section. This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it.

This report is organized into the following sections: (1) Transmittal Letter and District Overview; (2) Management Discussion & Analysis; (3) Audited Financial Statements; (4) Required Supplementary Information. The first section provides the reader with a general overview of the District. The Management Discussion & Analysis section offers a summary of significant financial results. The Audited Financial Statements section includes the Independent Auditors' Report. The Required Supplementary section provides information and schedules to supplement the basic financial statements.

OVERVIEW OF THE DISTRICT

The Yucaipa Valley Water District is made up of a proactive and diverse group of elected officials and employees dedicated to providing reliable water and sewer service in an efficient, cost effective manner that provides a high level of customer satisfaction. On May 1, 2002, the Board of Directors adopted the following mission statement to clearly reflect the vision and principles that guide the dedicated elected officials and employees of the District.

Yucaipa Valley Water District is committed to professionally managing the precious water, sewer and recycled water resources of the Yucaipa Valley in a reliable, efficient and cost effective manner in order to provide the finest service to our customers, both present and future.

We are entrusted to serve the public for the benefit of the community.

We believe in responsive, innovative and aggressive service, and take pride in getting the job done right the first time.

We encourage a work environment that fosters professionalism, creativity, teamwork and personal accountability.

We treat our customers and one another with fairness, dignity, respect and compassion and exhibit the utmost integrity in all we do.

We believe in enhancing the environment by following a general philosophy of eliminating waste and maximizing recycling and reuse of our natural resources.

We are committed to using the following operating principles as a guide to accomplishing our mission:

- We are proactive in our approach to issues.
- We are committed to integrity and consistently high ethical standards in all our business dealings.
- We use the strategic planning process to focus our efforts and minimize our crisis management mode.
- We make informed, rational and objective decisions.
- We aggressively pursue technological solutions to improve operations.
- We are inclusive in our decision making and delegate responsibility whenever possible.
- We design our services around customer wants and needs to the degree possible within our financial and regulatory constraints.
- We cultivate widespread commitment to common goals.

We believe our success depends on every employee knowing and sharing these values and principles.

This financial report is a reflection of the District's commitment to professionally manage the precious water, sewer and recycled water resources of the Yucaipa Valley in a reliable, efficient and cost effective manner in order to provide the finest service to our customers, both present and future.

To meet the mission of the District, the Board and staff members continue to proactively focus on water quality issues, water supply issues, infrastructure deficiencies, maintenance of existing systems and compliance with increasingly stringent regulatory requirements.

Historical Background

The District was formed as part of reorganization, pursuant to the Reorganization Act of 1965, being Division I of Title 6 of the Government Code of the State of California. This reorganization consisted of the formation of the District, dissolution of the Calimesa Water District and formation of Improvement District No. 1 of the District as successor-in-interest, and dissolution of Improvement District "A" of the San Bernardino Valley Municipal Water District and the formation of Improvement District "A" of the District as successor-in-interest. On September 14, 1971, the Secretary of State of the State of California certified and declared formation of the Yucaipa Valley County Water District. The District operates under the County Water District Law, being Division 12 of the State of California Water Code (the "Act"). Although the immediate function of the District was to provide water service, the District has assumed responsibility for providing recycled water and sewer service in Yucaipa Valley.

The District is located about 70 miles east of Los Angeles and 20 miles southeast of San Bernardino in the foothills of the San Bernardino Mountains and provides water, sewer and recycled water services.



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As of June 30, 2015, the District provided service to 12,434 water connections (17,179 units), 13,559 sewer connections (20,519 units) and 64 recycled water connections.

Customer Type	Water Utility		Sewer Utility		Recycled Water Utility
	Number of Connections	Number of Units	Number of Connections	Number of Units	Number of Connections
Single Family	11,301	11,301	12,617	12,617	0
Multiple Units	508	5,253	645	7,595	0
Commercial	262	262	250	250	0
Institutional	91	91	46	56	0
Industrial	13	13	1	1	0
Irrigation	124	124	0	0	59
Fire Detectors	118	118	0	0	0
Construction	17	17	0	0	5
Total	12,434	17,179	13,559	20,519	64

Land and Land Use

The altitude of the District rises from about 2,000 feet above sea level at the western end of the valley to about 5,000 feet at the eastern end, with average elevation of roughly 2,650 feet. The topography of the area is characterized by rolling hills separated by deeply entrenched stream beds, namely, the Yucaipa and Wilson Creeks. The District includes the incorporated cities of Yucaipa and Calimesa which are in San Bernardino and Riverside Counties respectively.

The District expects that the undeveloped land within its boundaries will continue to be developed consistent with the general plans as provided by the City of Yucaipa and the City of Calimesa. The projected population of the District in the year 2030 will be approximately 94,800, which reflects build-out of the City of Calimesa and the Oak Valley development. Although approximately 49.8% of the land within the boundaries of the District is currently undeveloped, less than 1% of District water sales are to agricultural water users.

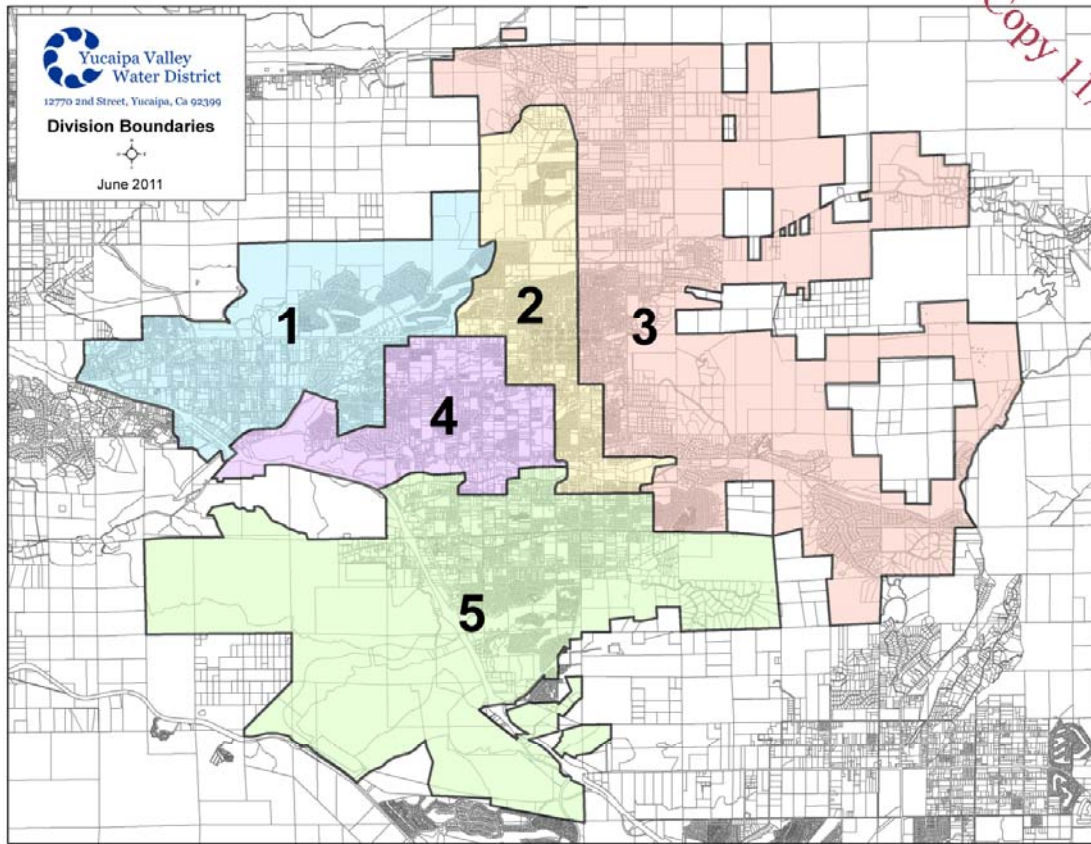
Governance and Management

The District is governed by a 5-member board of directors (the “Board”), the members of which are elected from five separate divisions of the District for staggered 4-year terms. The current Board members, the expiration dates of their terms and their occupations are set forth below.

Member of the Board of Directors	Division	Initial Date of Service	Expiration of Term	Occupation
Bruce Granlund, President	Two	12/23/1998	2018	Retired Senior District Attorney Investigator
Lonni Granlund, Vice President	Four	12/05/2008	2016	Property Manager/Real Estate Broker
Jay Bogh, Director	Three	09/07/2005	2018	Building Firm Manager
Thomas Shalhoub, Director	Five	12/03/2014	2018	Retired Entrepreneur
Kenneth P. Munoz, Director	One	12/07/2012	2016	Equipment Company Owner



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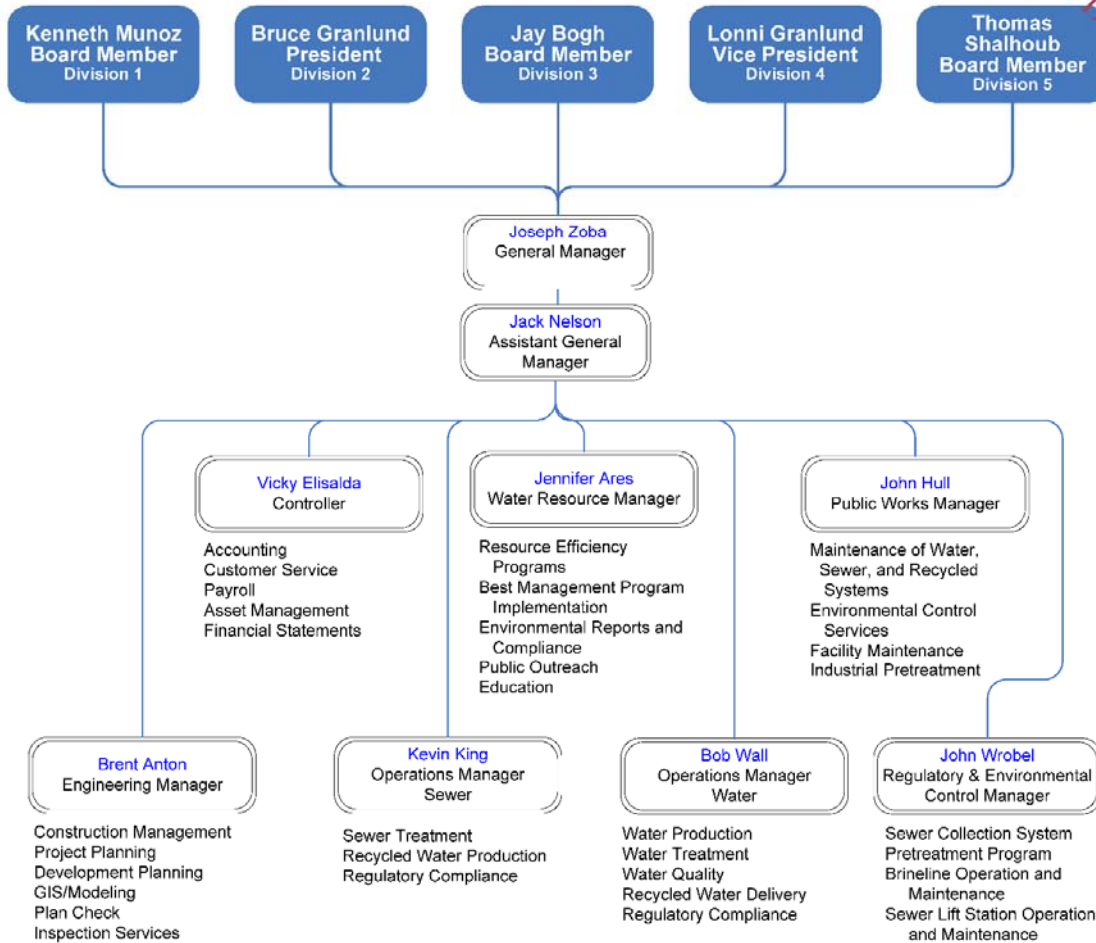


The following individuals have served as President of the Board since the District was created in 1971.

Yucaipa Valley Water District Presidents of the Board	
October 1971 to November 1973	Harold Lockwood
December 1973 to November 1975	Hank Wochholz
December 1975 to October 1977	Geno Gasponi
November 1977 to November 1979	Eve Kraft
December 1979 to December 1983	Pete Squires
January 1984 to December 1987	Fred Childs
January 1988 to November 1989	George Sardeson
November 1989 to December 1991	Hank Wochholz
January 1992 to November 1993	David Lesser
December 1993 to December 1995	Conrad Nelson
December 1995 to December 1998	Steve Copelan
January 1999 to November 2002	Conrad Nelson
December 2002 to December 2006	Bruce Granlund
December 2006 to December 2008	Tom Shalhoub
December 2008 to December 2012	Jay Bogh
January 2013 to December 2014	Bruce Granlund
December 2014 to Present	Lonni Granlund

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Day-to-day management of the District is delegated to the General Manager who works closely with an executive team who ultimately oversee all of the District's services and functions.



DEVELOPMENT ACTIVITY WITHIN THE DISTRICT

Facility Capacity Charges - Fiscal Year 2015

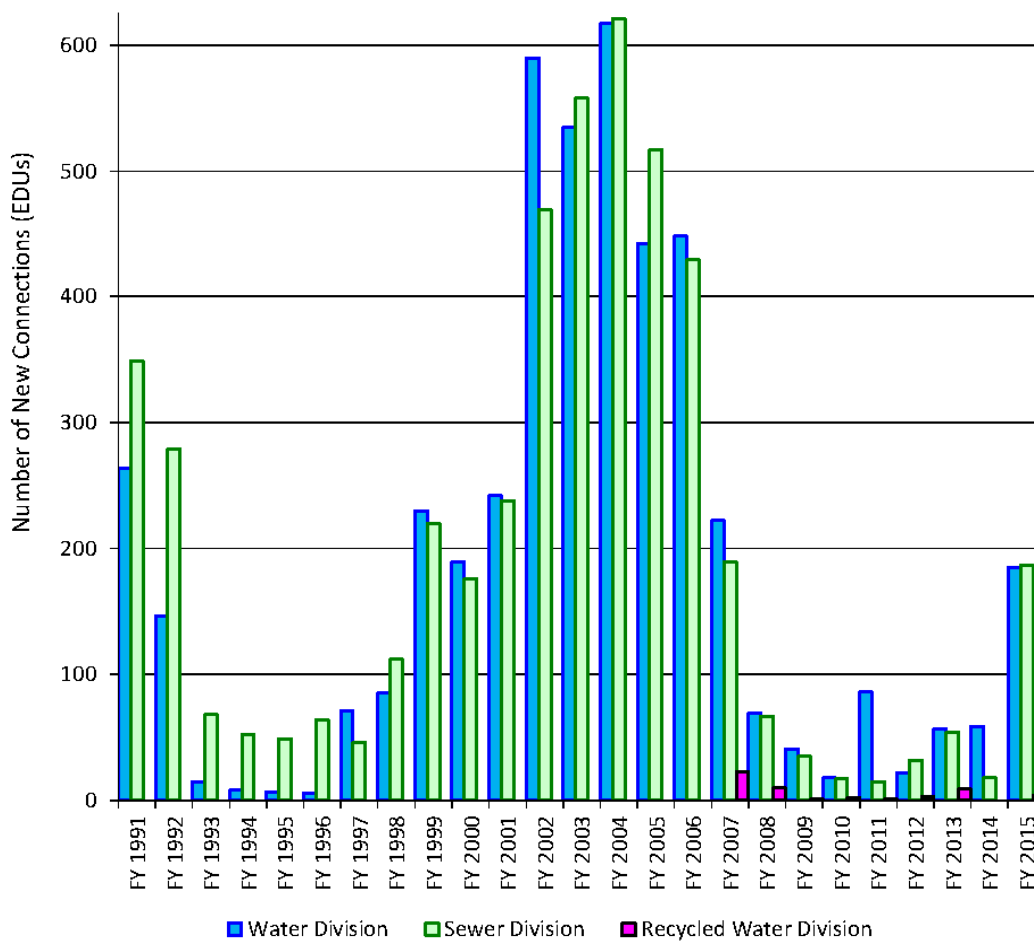
During this fiscal year, the District added 185 water connections, 187 sewer connections, and 4 recycled water connections. When compared to the development activity in the prior year, the District received 213.60% more water connections, 938.89% more sewer connections and 400.00% more recycled water connections.

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Fiscal Year	New Water Connections	New Sewer Connections	New Recycled Water Connections
2006	442	429	--
2007	222	189	23
2008	69	67	10
2009	41	35	1
2010	18	17	2
2011	86	15	1
2012	22	32	3
2013	57	54	9
2014	59	18	0
2015	185	187	4

Historical Water, Sewer and Recycled Water New Connections



MAJOR INITIATIVES AND CONTROLS

Sustainability Initiative

California's water supply continues to be a concern due to projected population increases and limited capabilities to convey water throughout the state. On August 20, 2008 the Board of Directors adopted a *Strategic Plan for a Sustainable Future - The Integration and Preservation of Resources*. The purpose of this document was to document the proactive steps taken by the Yucaipa Valley Water District to improve the social, economic and environmental sustainability of our community. These actions have included the purchase of valuable watershed properties, protection of local water supplies and management of environmental corridors. While the decisions to embark on these actions have been generally unrelated, a look back in time indicates that the District has been progressing towards a more independent, flexible and sustainable future.

"The nation behaves well if it treats the natural resources as assets which it must turn over to the next generation increased, and not impaired in value."

- Theodore Roosevelt

The proactive steps taken by the District to protect and conserve our resources have been based on the concepts that: (1) resources are not limitless and therefore need to be conserved, nurtured and renewed; and (2) resources that are used to generate short-term gains result in an inefficient and inequitable consumption of resources that are not beneficial for a long-term strategy. Both of these concepts help to

guide the District to make decisions that are conservative, careful and conscious of the role we currently play in a long-term strategy to protect the community.

The purpose of pursuing a sustainability plan is twofold. First and foremost, the sustainability plan has been designed to establish the policies and guidelines necessary to protect and preserve the natural resources entrusted to the District for our customers. It is our business to maximize the use of our limited natural resources for the long-term economic growth and expansion of the local economy. In the arid southwest, the basic fuel to create and maintain a local economy is water. Secondly, the sustainability policy has been designed to provide a means to measure performance of the organization. While performance monitoring or benchmarking is not normally associated with sustainability, this document has been created with the intention that the goals and reporting requirements are designed around performance management across a wide range of disciplines.

"Sustainable development is . . . development that meets the needs of the present without compromising the ability of further generations to meet their own needs."

**World Commission on Environment and Development,
Our Common Future, 1987**

With the use of this document the District is better equipped to:

- Identify the key challenges over the next five decades and assess the goals to overcome these challenges;
- Deal with the challenges of the future in a transparent manner involving stakeholders;
- Identify and manage risk in a reasonable and prudent manner with information, data and resources necessary to minimize the potential costs associated with certain scenarios; and
- Embark on a program to ensure that the generations that follow are provided with the necessary tools and resources to grow the community as the prior generation has done for us.

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The implementation of this initiative will come about largely with the return of new development. However, the District has enacted additional measures for existing customers which largely involves the purchase of imported water to offset groundwater production by 15% beginning in January 2010.

Internal Control Structure

District management is responsible for the establishment and maintenance of the internal control structure that ensures the assets of the District are protected from loss, theft or misuse. The internal control structure also ensures adequate accounting data is compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles. The District's internal control structure is designed to provide reasonable assurance that these objectives are met. The concept of reasonable assurance recognizes that (1) the cost of a control should not exceed the benefits likely to be derived, and (2) the valuation of costs and benefits requires estimates and judgments by management.

Budgetary Control

The District's Board of Directors annually adopts an operating and capital budget prior to the new fiscal year. The budget authorizes and provides the basis for reporting and control of financial operations and accountability for the District's enterprise operations and capital projects. The budget and reporting steps taken by the District are consistent with generally accepted accounting principles with monthly reporting of public documents for complete transparency and disclosure.

Investment Policy

The Board of Directors adopts an investment policy annually that conforms to state law, District ordinance and resolutions, and prudent money management. The District is extremely conservative in our approach to investing to maximize safety and protection of public funds.

Audit and Financial Reporting

State law and bond covenants require the District to obtain an annual audit of its financial statements by an independent certified public accountant. The accounting firm of Vavrinek, Trine, Day & Co., LLP has conducted the audit of the District's financial statements. Their unmodified Independent Auditors' Report is attached.

Financial Statements
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Independent Auditors' Report

INDEPENDENT AUDITORS' REPORT

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Board of Directors
Yucaipa Valley Water District
Yucaipa, California

Report on the Financial Statements

We have audited the accompanying financial statements of the Water, Sewer, and Recycled Water Enterprise Funds of the Yucaipa Valley Water District (District), as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the District's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Water, Sewer, and Recycled Water Enterprise Funds of the District, as of June 30, 2015, and the respective changes in financial position, and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 1 to the financial statements, the District adopted Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27* and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an Amendment of GASB Statement No. 68*, as of July 1, 2014. This resulted in a restatement of beginning net position as disclosed in Note 19 to the financial statements. Our opinion is not modified with respect to this matter.

Other Matters***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 5 through 11 and the pension schedules on pages 42 and 43 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The transmittal letter listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. The transmittal letter has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 2, 2015, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Rancho Cucamonga, California
November 2, 2015

Financial Statements
Audited Financial Statements - Fiscal Year 2015

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Management's Discussion & Analysis



This section of the Yucaipa Valley Water District's comprehensive annual financial report presents a discussion and analysis of the District's financial performance during the fiscal years ending June 30, 2014 and June 30, 2015. Please read it in conjunction with the transmittal letter at the front of this report and the District's basic financial statements following this section.

Yucaipa Valley Water District's financial statements consist of three enterprise funds: (W) water fund, (S) sewer fund and (R) recycled water fund.

FINANCIAL HIGHLIGHTS

Based on the financial information for the fiscal year ending on June 30, 2015, the following financial highlights are noted for the Yucaipa Valley Water District.

- The District's net position increased 2.27% to \$194,305,020.
- The District's total revenues decreased 1.11% to \$24,393,385.
- The District's total expenses decreased 0.26% to \$26,668,794.
- The capital contributions to the District totaled \$12,247,899 for the fiscal year.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the Yucaipa Valley Water District's basic financial statements. The District's basic financial statements are comprised of three components: Financial Statements, Notes to the Financial Statements and Required Supplementary Information.

The District's Basic Financial Statements are comprised of the Statement of Net Position, Statement of Revenues, Expenses, and Changes in Net Position, and Statement of Cash Flows.

The *Statement of Net Position* presents information on all District assets, deferred outflows of resources, liabilities and deferred inflows of resources with the difference reported as *Net Position*. Over time, increases or decreases in Net Position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The *Statement of Revenues, Expenses and Changes in Net Position* presents information showing how Net Position changed during the fiscal year.

The *Statement of Cash Flows* presents information about the cash receipts and cash payments of the District during the fiscal year. When used with related disclosures and information in the other financial statements, the information provided in these statements should help financial report users assess the District's ability to generate future net cash flows, its ability to meet its obligations as they come due and its need for external financing. It also provides insight into the reasons for differences between operating income and associated cash receipts and payments; and the effects on the District's financial position of its cash and its non-cash investing, capital and related financing transactions during the year.

Notes to the Basic Financial Statements provides additional information that is essential to a full understanding of the data provided in the District's financial statements. The notes are included immediately following the financial statements within this report.

FINANCIAL ANALYSIS

The following table summarizes the changes in the Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Net Position as of June 30, 2015.

	Statement of Net Position			
	2015	2014	Change	% Change
Assets				
Current assets - W	\$ 11,318,521	\$ 10,135,548	\$ 1,182,973	11.67%
Current assets - S	8,756,444	5,550,276	3,206,168	57.77%
Current assets - R	3,156,536	3,274,227	(117,691)	-3.59%
Net capital assets - W	102,581,965	100,780,002	1,801,963	1.79%
Net capital assets - S	128,206,759	132,127,093	(3,920,334)	-2.97%
Net capital assets - R	25,514,168	26,055,470	(541,302)	-2.08%
Other assets - W	5,967,127	2,933,519	3,033,608	103.41%
Other assets - S	873,908	873,908	-	0.00%
Other assets - R	364,059	288,799	75,260	26.06%
Total Assets	<u>286,739,487</u>	<u>282,018,842</u>	<u>4,720,645</u>	<u>1.67%</u>
Deferred Outflows of Resources				
Deferred amounts related to pensions - W	370,912	-	370,912	100.00%
Deferred amounts related to pensions - S	277,279	-	277,279	100.00%
Deferred amounts related to pensions - R	5,327	-	5,327	100.00%
Total Deferred Outflows	<u>653,518</u>	<u>-</u>	<u>653,518</u>	<u>100.00%</u>
Total Assets and Deferred Outflows	<u>287,393,005</u>	<u>282,018,842</u>	<u>5,374,163</u>	<u>1.91%</u>
Liabilities				
Current liabilities - W	4,292,996	3,392,412	900,584	26.55%
Current liabilities - S	3,858,334	3,789,775	68,559	1.81%
Current liabilities - R	73,933	42,902	31,031	72.33%
Long term liabilities - W	36,474,537	37,446,496	(971,959)	-2.60%
Long term liabilities - S	47,152,277	47,349,190	(196,913)	-0.42%
Long term liabilities - R	40,320	-	40,320	0.00%
Total Liabilities	<u>91,892,397</u>	<u>92,020,775</u>	<u>(128,378)</u>	<u>-0.14%</u>
Deferred Inflows of Resources				
Deferred amounts related to pensions - W	678,571	-	678,571	100.00%
Deferred amounts related to pensions - S	507,272	-	507,272	100.00%
Deferred amounts related to pensions - R	9,745	-	9,745	100.00%
Total Deferred Inflows	<u>1,195,588</u>	<u>-</u>	<u>1,195,588</u>	<u>100.00%</u>
Net Position				
Net Investment in capital assets,				
Net of related debt - W	68,433,170	62,773,372	5,659,798	9.02%
Net of related debt - S	80,788,980	82,468,574	(1,679,594)	-2.04%
Net of related debt - R	25,514,168	26,055,470	(541,302)	-2.08%
Restricted - W	5,955,412	2,933,519	3,021,893	103.01%
Restricted - S	873,908	873,908	-	0.00%
Restricted - R	364,059	288,799	75,260	26.06%
Unrestricted - W	4,403,839	7,303,270	(2,899,431)	-39.70%
Unrestricted - S	4,933,619	4,069,830	863,789	21.22%
Unrestricted - R	3,037,865	3,231,325	(193,460)	-5.99%
Total Net Position	<u>194,305,020</u>	<u>189,998,067</u>	<u>4,306,953</u>	<u>2.27%</u>
Total Liabilities, Deferred Inflows and Net Position	<u>\$ 287,393,005</u>	<u>\$ 282,018,842</u>	<u>\$ 5,374,163</u>	<u>1.91%</u>

Management's Discussion and Analysis
Fiscal Year 2015

Statement of Net Position – The District's net position increased between fiscal years 2013-14 and 2014-15, increasing from \$189,998,067 to \$194,305,020. The change can be seen in the condensed Statement of Net Position below as a \$4,306,953 increase in net position.

As of July 1, 2014 and the District's adoption of Governmental Accounting Standards Board Statement No. 68, Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27 and GASB Statement No. 71, Pension Transition for Contributions Made Subsequent to the Measurement Date – an Amendment of GASB Statement No. 68. These pronouncements resulted in a restatement of the District's beginning net position and inclusion of several new accounts on the District's financial statements. These new accounts include a \$4,947,010 net pension liability, \$1,195,588 in deferred inflow of resources (deferred amount on pensions) and \$653,518 in deferred outflows of resources from pension contributions made after the measurement date and amortization. These are further discussed in Defined Benefit Pension Plans in the accompanying pages.

The increase in other water assets is attributed to the new Statewide Community Infrastructure Program (SCIP), formed to finance the construction and installation of a reservoir that will service properties located within Community Facilities District AD-14-01. Bonds were issued by community facilities districts for construction funding for the Reservoir 12.4. Yucaipa Valley Water District is not liable for the bonds, but is an acting agent for the bondholders. Additional information can be found in Note 18 of the report.

The following table summarizes changes in Net Position for the year ended June 30, 2015.

Statement of Revenues, Expenses and Changes in Net Position

	2015	2014	Change	% Change
Operating Revenues				
Water Services	\$ 9,502,880	\$ 10,268,030	\$ (765,150)	-7.45%
Sewer Services	11,316,511	10,982,918	333,593	3.04%
Recycled Services	443,652	431,623	12,029	2.79%
Interfund Services Provided	153,500	153,000	500	0.33%
Other Revenue	3,420	1,440	1,980	137.50%
Total Operating Revenues	21,419,963	21,837,011	(417,048)	-1.91%
Non-Operating Revenues				
Interest Income	52,375	22,475	29,900	133.04%
Property Taxes	2,791,142	2,629,054	162,088	6.17%
Other Income	129,905	179,776	(49,871)	-27.74%
Total Non-Operating Revenues	2,973,422	2,831,305	142,117	5.02%
Total Revenues	24,393,385	24,668,316	(274,931)	-1.11%
Operating Expenses				
Salaries & Benefits - W	3,662,236	3,604,060	58,176	1.61%
Salaries & Benefits - S	2,818,855	2,665,431	153,424	5.76%
Salaries & Benefits - R	120,819	39,669	81,150	204.57%
Operating Expenses - W	4,766,899	4,457,649	309,250	6.94%
Operating Expenses - S	3,398,750	3,629,541	(230,791)	-6.36%
Operating Expenses - R	277,540	201,501	76,039	37.74%
Water Purchases - W	509,584	741,329	(231,745)	-31.26%
Depreciation & Amortization - W	3,287,958	3,249,382	38,576	1.19%
Depreciation & Amortization - S	4,084,540	4,217,730	(133,190)	-3.16%
Depreciation & Amortization - R	777,079	753,025	24,054	3.19%
Total Operating Expenses	23,704,260	23,559,317	144,943	0.62%
Non-Operating Expenses				
(Gain)/Loss on Asset Disposal	-	507	(507)	-100.00%
Other Expenses	-	6,147	(6,147)	-100.00%
Bond Issuance cost - W	244,101	-	244,101	100.00%
Interest Expense - W	1,572,938	1,919,927	(346,989)	-18.07%
Interest Expense - S	1,147,495	1,252,241	(104,746)	-8.36%
Total Non-Operating Expenses	2,964,534	3,178,822	(214,288)	-6.74%
Total Expenses	26,668,794	26,738,139	(69,345)	-0.26%

Management's Discussion and Analysis
Fiscal Year 2015

Statement of Revenues, Expenses and Changes in Net Position

	2015	2014	Change	% Change
Income (Loss) Before Contributions - W	\$ (1,624,707)	\$ (2,482,499)	\$ 857,792	-34.6%
Income (Loss) Before Contributions - S	56,248	(7,090,381)	7,146,629	-100.8%
Income (Loss) Before Contributions - R	(706,950)	7,503,057	(8,210,007)	-109.4%
Total Income (Loss) Before Contributions	<u>(2,275,409)</u>	<u>(2,069,823)</u>	<u>(205,586)</u>	<u>9.9%</u>
Contributions				
Capital Contributions - W	10,622,515	1,557,141	9,065,374	582.2%
Capital Contributions - S	1,531,760	4,270,004	(2,738,244)	-64.1%
Capital Contributions - R	93,624	268,303	(174,679)	-65.1%
	<u>12,247,899</u>	<u>6,095,448</u>	<u>6,152,451</u>	<u>452.9%</u>
Change in Net Position - W	8,997,808	(925,358)	9,923,166	-1072.4%
Change in Net Position - S	1,588,008	(2,820,377)	4,408,385	-156.3%
Change in Net Position - R	(613,326)	7,771,360	(8,384,686)	-107.9%
Beginning Net Position (as Restated)	184,332,530	185,972,442	(1,639,912)	-0.9%
Ending Net Position	<u>\$ 194,305,020</u>	<u>\$ 189,998,067</u>	<u>\$ 4,306,953</u>	<u>2.3%</u>

The Statement of Revenues, Expenses and Changes in Net Position provides the nature and source of these changes. As can be seen in the preceding table, the loss before capital contributions of \$2,275,409 and capital contributions of \$12,247,899 were the source of the increase in Net Position of \$9,972,490 in fiscal year 2015.

On January 17, 2014, Governor Brown issued a proclamation of a state of emergency under the California Emergency Services Act based on drought conditions. On April 25, 2014, Governor Brown issued a proclamation of a continued state of emergency based on continued drought. Yucaipa Valley Water District has taken steps over the years to reduce drinking water use by implementing an extensive recycled water system and asking customers to cut back usage, resulting in \$765,150 decreased revenue.

Sewer Salaries & Benefits increased \$153,424 with additional employees allocated to department.

The Recycled Water Department continues to expand recycled water service resulting in increased expenses overall with additional employees allocated to Salaries & Benefits by \$81,150 and Operating Expenses increased by \$76,039 to maintain operations.

The Yucaipa Valley Regional Filtration Facility was shut down for four months due to extended maintenance and drought conditions. During this time Yucaipa Valley Water District used ground water in lieu of imported state water resulting in \$231,745 decreased water purchases.

The increase in water capital contributions is attributed to the new Statewide Community Infrastructure Program (SCIP), formed to finance the construction and installation of a reservoir that will service properties located within Community Facilities District AD-14-01. Bonds were issued by community facilities districts for construction funding for the Reservoir 12.4. Yucaipa Valley Water District is not liable for the bonds, but is an acting agent for the bondholders. Additional information can be found in Note 18 of the report.

The bond Issuance of \$244,101 is the cost of the Series 2015A Refunding Bonds sold to refund Series 2004A Certificates of Participation, resulting in \$346,989 interest savings in fiscal year 2015.

The increase in capital contributions includes an increase of \$2,725,960 facility capacity fees and \$6,623,491 infrastructure contributions and a decrease of \$3,197,000 grant funds received in fiscal year 2015.

CAPITAL ASSETS AND LONG-TERM DEBT ACTIVITY

At the end of fiscal year 2015, the District had invested \$256,302,892 in a broad range of infrastructure as shown below.

Schedule of Capital Assets				
	2015	2014	Change	% Change
Non-Depreciable Assets				
Land & Easements	\$ 5,587,306	\$ 5,587,306	\$ -	0.00%
Water Rights	5,919,976	5,919,976	-	0.00%
Construction in Progress	10,845,469	6,562,967	4,282,502	65.25%
Total Non-Depreciable Assets	22,352,751	18,070,249	4,282,502	23.70%
Depreciable Assets				
Structures & Improvements	326,869,552	326,099,131	770,421	0.24%
Equipment	6,094,449	5,817,079	277,370	4.77%
Total Depreciable Assets	332,964,001	331,916,210	1,047,791	0.32%
Less Accumulated Depreciation	(99,013,860)	(91,023,894)	(7,989,966)	8.78%
Net Depreciable Assets	233,950,141	240,892,316	(6,942,175)	-2.88%
Total Capital Assets, Net	\$ 256,302,892	\$ 258,962,565	\$ (2,659,673)	-1.03%

As of June 30, 2015, construction in progress increased \$4,282,502, primarily in the water and recycled water enterprise funds with the construction the SCIP reservoir project R-12.4 and continuing expansion of the recycled water system.

Additional information on the District's capital assets can be found in Note 3 of this report.

Management's Discussion and Analysis
Fiscal Year 2015

Long-term obligations, including current portion, total \$91,892,397 as of June 30, 2015, and \$92,020,775 as of June 30, 2014. The long-term obligations were comprised of compensated absences, water revenue bonds and sewer fund state revolving fund (SRF) loans for the WRWRF plant expansion, Regional Brineline Extension, (WISE) Wochholz Improved Salinity Effluent Project, Non-Potable Reservoir NR-10.3.1 project and the Crow Street Recycled Project.

Schedule of Liabilities

	2015	2014	Change	% Change
Long Term Obligations:				
Compensated absences	\$ 797,172	\$ 761,757	\$ 35,415	4.65%
Refunding Revenue Bonds - Water	33,180,510	36,971,630	(3,791,120)	-10.25%
State Revolving Fund Loan - Sewer	44,742,442	47,062,299	(2,319,857)	-4.93%
Net Pension Liability	4,947,010	-	4,947,010	100.00%
Total Long Term Obligations	83,667,134	84,795,686	(1,128,552)	-1.33%
Current Portion of Obligations:				
Compensated Absences	390,914	372,460	18,454	4.95%
Refunding Revenue Bonds - Water	980,000	1,035,000	(55,000)	-5.31%
State Revolving Fund Loan - Sewer	2,675,337	2,596,220	79,117	3.05%
Other Current Liabilities	4,179,012	3,221,409	957,603	29.73%
Total Current Obligations	8,225,263	7,225,089	1,000,174	13.84%
Total Liabilities	\$ 91,892,397	\$ 92,020,775	\$ (128,378)	-0.14%

During the year, the District sold Refunding Revenue Bonds Series 2015A in the amount of \$30,810,000 to refund the Series 2004A Certificates of Participation resulting in an annual savings of \$600,000. The final payment for the 2015A Revenue Bonds remains the same as the 2004A Certificates in 2035.

Additional information on the District's long-term obligations can be found in Notes 4 through 12 of this report.

Requests for Information

This financial report is designed to provide a general overview of the financial position of the Yucaipa Valley Water District for all those with an interest in the government's finances.

Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Vicky Elisalda, Controller at 12770 Second Street, Yucaipa, California 92399.

Financial Statements
Audited Financial Statements - Fiscal Year 2015

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Financial Statements

YUCAIPA VALLEY WATER DISTRICT

STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2015

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	Enterprise Funds			Total
	Water	Sewer	Recycled Water	
ASSETS				
Current Assets:				
Cash and investments	\$ 8,428,113	\$ 7,239,384	\$ 3,089,117	\$ 18,756,614
Accounts receivable, net	1,266,261	1,511,491	66,181	2,843,933
Taxes and assessments receivable	70,541			70,541
Grants receivable	1,079			1,079
Interest receivable	5,569	5,569	1,238	12,376
Inventory	817,972			817,972
Prepayments and deposits	728,986			728,986
Total Current Assets	11,318,521	8,756,444	3,156,536	23,231,501
Noncurrent Assets:				
Restricted investments	5,967,127	873,908	364,059	7,205,094
Capital assets not being depreciated	9,377,615	7,314,332	5,660,804	22,352,751
Capital assets being depreciated, net	93,204,350	120,892,427	19,853,364	233,950,141
Total Noncurrent Assets	108,549,092	129,080,667	25,878,227	263,507,986
TOTAL ASSETS	119,867,613	137,837,111	29,034,763	286,739,487
DEFERRED OUTFLOWS OF RESOURCES				
Deferred amounts related to pensions	370,912	277,279	5,327	653,518
LIABILITIES				
Current Liabilities:				
Accounts payable and accrued liabilities	1,182,216	209,677	73,933	1,765,856
Customer deposits	146,674			146,674
Developer/construction deposits	1,011,589			1,011,589
Accrued interest payable	448,972	805,921		1,254,893
Current portion of long-term liabilities:				
Compensated absences	223,515	167,399		390,914
Certificates of participation	980,000			980,000
State Revolving Fund Loans		2,675,337		2,675,337
Total Current Liabilities	4,292,996	3,858,334	73,933	8,225,263
Long-Term Liabilities:				
Compensated absences	486,288	310,884		797,172
Certificates of participation	33,180,510			33,180,510
State Revolving Fund Loans		44,742,442		44,742,442
Net Pension Liability	2,807,739	2,098,951	40,320	4,947,010
Total Long-Term Liabilities	36,474,537	47,152,277	40,320	83,667,134
TOTAL LIABILITIES	40,767,533	51,010,611	114,253	91,892,397
DEFERRED INFLOWS OF RESOURCES				
Deferred amounts related to pensions	678,571	507,272	9,745	1,195,588
NET POSITION				
Net investment in capital assets	68,433,170	80,788,980	25,514,168	174,736,318
Restricted for:				
Debt service		873,908		873,908
Capital projects	5,955,412		364,059	6,319,471
Unrestricted	4,403,839	4,933,619	3,037,865	12,375,323
TOTAL NET POSITION	\$ 78,792,421	\$ 86,596,507	\$ 28,916,092	\$ 194,305,020

The accompanying notes are an integral part of these financial statements.



YUCAIPA VALLEY WATER DISTRICT

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**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
 PROPRIETARY FUNDS
 FOR THE YEAR ENDED JUNE 30, 2015**

	Enterprise Funds			Total
	Water	Sewer	Recycled Water	
OPERATING REVENUES				
Charges for current services	\$ 9,502,880	\$ 11,316,511	\$ 443,652	\$ 21,263,043
Interfund services provided	153,500			153,500
Other revenue		3,420		3,420
Total Operating Revenues	9,656,380	11,319,931	443,652	21,419,963
OPERATING EXPENSES				
Salaries and employee benefits	3,662,236	2,818,855	120,819	6,601,910
Electrical power	1,685,876	1,036,135	3,459	2,725,470
Water purchases	509,584			509,584
Administrative services	404,205	356,761	20,664	781,630
Operating supplies	182,458	528,703	174	711,335
Maintenance and repairs	934,911	588,162	73,332	1,596,405
Crystal Creek Water Treatment	911,863			911,863
Brineline charges		152,990		152,990
Depreciation	3,287,958	4,084,540	777,079	8,149,577
Insurance	98,685	98,535		197,220
Professional fees	472,526	343,974	131,240	947,740
Other	76,375	293,490	48,671	418,536
Total Operating Expenses	12,226,677	10,302,145	1,175,438	23,704,260
Operating Income (Loss)	(2,570,297)	1,017,786	(731,786)	(2,284,297)
NON-OPERATING REVENUES (EXPENSES)				
Interest income	22,990	22,549	6,836	52,375
Property taxes	2,626,642	146,500	18,000	2,791,142
Other income	112,997	16,908		129,905
Bond issuance costs	(244,101)			(244,101)
Interest expense	(1,572,938)	(1,147,495)		(2,720,433)
Total Non-Operating Revenues (Expenses)	945,590	(961,538)	24,836	8,888
Income (Loss) Before Contributions	(1,624,707)	56,248	(706,950)	(2,275,409)
CONTRIBUTIONS				
Capital contributions	10,622,515	1,531,760	93,624	12,247,899
Change in Net Position	8,997,808	1,588,008	(613,326)	9,972,490
Net Position, Beginning of Year, as restated	69,794,613	85,008,499	29,529,418	184,332,530
Net Position, End of Year	\$ 78,792,421	\$ 86,596,507	\$ 28,916,092	\$ 194,305,020

The accompanying notes are an integral part of these financial statements.



YUCAIPA VALLEY WATER DISTRICT
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2015

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	Enterprise Funds			Total
	Water	Sewer	Recycled Water	
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers	\$ 9,874,129	\$ 11,286,413	\$ 463,717	\$ 21,624,259
Receipts (payments) from interfund services provided	153,500	(153,500)		
Payments to suppliers	(5,154,252)	(3,223,117)	(246,509)	(8,623,878)
Employment related payments	(3,745,429)	(2,856,812)	(122,257)	(6,724,498)
Net Cash Provided by Operating Activities	1,127,948	5,052,984	94,951	6,275,883
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Loan proceeds	34,217,297	375,556		34,592,853
Capital contributions	10,596,896	1,782,483	93,624	12,473,003
Payment of debt issuance costs	(244,101)			(244,101)
Cash paid for capital assets	(4,107,538)	(22,929)	(235,777)	(4,366,244)
Principal paid on capital debt	(37,930,000)	(2,616,297)		(40,546,297)
Interest paid on capital debt	(1,896,425)	(1,193,105)		(3,089,530)
Net Cash Provided/(Used) for Capital and Related Financing Activities	636,129	(1,674,292)	(142,153)	(1,180,316)
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES				
Property taxes received	2,633,336	146,500	18,000	2,797,836
Other receipts	112,997	16,908		129,905
Net Cash Provided by Non-Capital Financing Activities	2,746,333	163,408	18,000	2,927,741
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest and dividends	20,118	19,677	6,945	46,740
Net Increase/(Decrease) in Cash and Cash Equivalents	4,530,528	3,561,777	(22,257)	8,070,048
Balances, Beginning of Year	9,864,712	4,551,515	3,475,433	17,891,660
Balances, End of Year	\$ 14,395,240	\$ 8,113,292	\$ 3,453,176	\$ 25,961,708
Reconciliation to Statement of Net Position:				
Cash and investments	\$ 8,428,113	\$ 7,239,384	\$ 3,089,117	\$ 18,756,614
Restricted cash and investments - Non-current	5,967,127	873,908	364,059	7,205,094
Total Cash and Investments	\$ 14,395,240	\$ 8,113,292	\$ 3,453,176	\$ 25,961,708

The accompanying notes are an integral part of these financial statements.



YUCAIPA VALLEY WATER DISTRICT
STATEMENT OF CASH FLOWS, Continued
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2015

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	Enterprise Funds			Total
	Water	Sewer	Recycled Water	
RECONCILIATION OF OPERATING Income (Loss)				
TO NET CASH PROVIDED				
BY OPERATING ACTIVITIES				
Operating Income (loss)	\$ (2,570,297)	\$ 1,017,786	\$ (731,786)	\$ (2,284,297)
Adjustments to reconcile operating income to net cash provided by operating activities:				
Depreciation	3,287,958	4,084,540	777,079	8,149,577
Change in assets and liabilities:				
Receivables, net	414,611	(33,519)	20,065	401,157
Compensated absences	16,957	36,912		53,869
Prepayments and deposits	(25,880)			(25,880)
Developer and customer deposits	(43,362)			(43,362)
Inventories	(78,606)			(78,606)
Accounts and other payables (non-capital)	226,717	22,134	31,031	279,882
Net pension liability	(693,746)	(518,617)	(9,962)	(1,222,325)
Change in deferred outflows of resources related to pensions	(84,975)	(63,524)	(1,221)	(149,720)
Change in deferred inflows of resources related to pensions	678,571	507,272	9,745	1,195,588
Net Cash Provided by Operating Activities	\$ 1,127,948	\$ 5,052,984	\$ 94,951	\$ 6,275,883
SUPPLEMENTAL DISCLOSURE OF NON-CASH CAPITAL AND RELATED FINANCING ACTIVITIES				
Contributed capital assets	\$ 25,619	\$ 141,277	\$ -	\$ 166,896

The accompanying notes are an integral part of these financial statements.



YUCAIPA VALLEY WATER DISTRICT
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
AGENCY FUND
JUNE 30, 2015

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	<u>Agency Fund</u>
ASSETS	
Cash and cash equivalents	\$ 1,488,925
TOTAL ASSETS	<u>\$ 1,488,925</u>
LIABILITIES	
Due to other governments	\$ 1,488,925
TOTAL LIABILITIES	<u>\$ 1,488,925</u>

The accompanying notes are an integral part of these financial statements.



Financial Statements
Audited Financial Statements - Fiscal Year 2015

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Notes to the Financial Statements



YUCAIPA VALLEY WATER DISTRICT

NOTES TO THE FINANCIAL STATEMENTS JUNE 30, 2015

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NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

Yucaipa Valley Water District (the District) is a special-purpose government district providing water distribution and sewer collection and treatment for consumers within its service area. The financial statements of the District have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP), as applied to enterprise funds. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

B. Basis of Presentation

Fund Financial Statements - The District solely operates as a Special-Purpose Government which means it is only engaged in business-type activities, accordingly activities are reported in proprietary funds.

The District has the following major proprietary funds:

- Water – This fund accounts for the activities of the District's water supply system.
- Sewer – This fund accounts for the activities of the District's sewage treatment plant, pumping stations, and collection systems.
- Recycled Water – This fund accounts for the activities of the District's recycled water supply system.

The agency fund has no measurement focus but utilizes the accrual basis of accounting for reporting its assets and liabilities. This fund is used to account for receipts and disbursements associated with community facilities districts, which are administered by, but are not the liability of, the District.

C. Basis of Accounting

Proprietary fund financial statements are reported using the *economic resources measurement focus* and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Non-exchange transactions, in which the District receives value without directly giving equal value in return, include property taxes, grants, entitlements and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes apply. Property taxes are collected for the District by the Counties of San Bernardino and Riverside. Revenue from grants, entitlements and donations are recognized in the fiscal year in which all eligibility requirements have been satisfied.

Proprietary funds distinguish *operating* revenues and expenses from *non-operating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the District's enterprise funds are charges to customers for sales and services. Operating expenses include the costs of sales and services, the costs of employee benefits, maintenance of capital assets, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.



YUCAIPA VALLEY WATER DISTRICT**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015***Draft Copy 11/03/15***NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (Continued)****D. Capital Assets**

Capital assets purchased or constructed are carried at cost. Constructed costs include labor, materials and construction period interest expense (net of interest income, where applicable). Capitalization threshold is \$5,000. Contributed assets are stated at estimated fair market value at the time received by the District. Depreciation is calculated on the straight-line method over the following estimated useful lives of the assets:

Structures and improvements	10 – 50 years
Equipment	4 – 10 years

E. Restricted Investments

Various resources of the District are limited as to their use by law or by debt covenants and are classified on the balance sheet as restricted investments. Undisbursed debt proceeds are restricted for repayment of the debt and project costs. Also, fees imposed on new real estate development are restricted by law for the construction of capital improvements which benefit the development projects.

F. Inventory

Inventory is stated at the lower of cost, using the average cost method, or market.

G. Cash and Cash Equivalents

All cash and investments are held in the District's cash management pool. Therefore, for purposes of the statement of cash flows, the District considers the entire pooled cash and investment balance to be cash and cash equivalents.

H. Investments

The District utilizes quoted market prices to estimate fair value.

I. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

J. Uncollectible Accounts

The District provides an allowance for doubtful accounts for all accounts deemed uncollectible. As of June 30, 2015, this allowance was estimated at \$10,816 in the Water Fund and \$15,040 in the Sewer Fund.



YUCAIPA VALLEY WATER DISTRICT

NOTES TO THE FINANCIAL STATEMENTS JUNE 30, 2015

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NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, *(Continued)*

K. Credit/Market Risk

The District provides water, sewer, and recycled water services to local residential and commercial customers. As part of normal operating practices, credit is granted to local customers, on an unsecured basis.

L. Use of Restricted Resources

When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, and then unrestricted resources as they are needed.

M. Net Position

Net investment in capital assets consists of capital assets reduced by accumulated depreciation and by any outstanding debt incurred to acquire, construct, or improve those assets.

Restricted net position consists of those restricted assets reduced by liabilities related to those assets.

Unrestricted net position is the net amount of the assets, deferred outflows of resources, liabilities and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted component of net position.

N. Pensions

For purposes of measuring the net pension liability and deferred outflows/inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the District's California Public Employees Retirement System (CalPERS) plan and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by CalPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

O. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources until then. The government only has one item that qualifies for reporting in this category. It is the deferred outflow related to pensions which is the result of the implementation of GASB 68 representing the District's pension contributions made subsequent to the measurement date and change in proportion.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources until that time. The government has only one type of item, deferred amounts related to pensions. This item is the result of the implementation of GASB 68 representing the change in proportion and the difference between projected and actual earnings on investments.



YUCAIPA VALLEY WATER DISTRICT

NOTES TO THE FINANCIAL STATEMENTS JUNE 30, 2015

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NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (Continued)

P. New Accounting Pronouncements

Effective in this Fiscal Year

GASB Statement No. 68 – In June 2012, GASB issued Statement No. 68, *Accounting and Financial Reporting for Pensions—an Amendment of GASB Statement No. 27*. The primary objective of this Statement is to improve accounting and financial reporting by state and local governments. This Statement establishes standards for measuring and recognizing liabilities, deferred outflows of resources, deferred inflows of resources, and expense/expenditures. For defined benefit pensions, this Statement identifies the methods and assumptions that should be used to project benefit payments, discount projected benefit payments to their actuarial present value, and attribute that present value to periods of employee service. This Statement was implemented as of July 1, 2014.

GASB Statement No. 71 – In November 2013, GASB issued Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an Amendment of GASB Statement No. 68*. This Statement addresses an issue regarding application of the transition provisions of Statement No. 68, *Accounting and Financial Reporting for Pensions*. The issue relates to amounts associated with contributions, if any, made by a state or local government employer or nonemployer contributing entity to a defined benefit pension plan after the measurement date of the government's beginning net pension liability. This Statement was effective as of July 1, 2014.

Effective in Future Fiscal Years

GASB Statement No. 72 – In February 2015, GASB issued Statement No. 72, *Fair Value Measurement and Application*. The primary objective of this statement is to define fair value and describe how fair value should be measured, define what assets and liabilities should be measured at fair value, and determine what information about fair value should be disclosed in the notes to the financial statements. The Statement is effective for periods beginning after June 15, 2015, or the 2015-16 fiscal year. The District has not determined the effect of the statement.

GASB Statement No. 73 – In June 2015, GASB issued Statement No. 73, *Accounting and Financial Reporting for Pensions and Related Assets that are Not within the Scope of GASB Statement No. 68, and Amendments to Certain Provisions of GASB Statements No. 67 and No. 68*. The objective of this statement establishes requirements for those pensions and pension plans that are not administered through a trust meeting specified criteria. The Statement is effective for periods beginning after June 15, 2015, or the 2015-2016 fiscal year. The District has not determined the effect of the statement.

GASB Statement No. 74 – In June 2015, GASB issued Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*. The objective of the Statement is to address the financial reports of defined benefit OPEB plans that are administered through trusts that meet specified criteria. The Statement requires more extensive note disclosures and RSI related to the measurement of the OPEB liabilities for which assets have been accumulated. The Statement is effective for periods beginning after June 15, 2016, or the 2016-2017 fiscal year. The District has not determined the effect of the statement.

YUCAIPA VALLEY WATER DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015

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NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (Continued)

P. New Accounting Pronouncements, (Continued)

Effective in Future Fiscal Years (Continued)

GASB Statement No. 75 – In June 2015, GASB issued Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*. The objective of the Statement is to replace the requirements of GASB Statement No. 45. In addition, the Statement requires governments to report a liability on the face of the financial statements for the OPEB provided and requires governments to present more extensive note disclosures and required supplementary information about their OPEB liabilities. The Statement is effective for the periods beginning June 15, 2017, or the 2017-2018 fiscal year. The District has not determined the effect of the statement.

GASB Statement No. 76 – In June 2015, GASB issued Statement No. 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*. The objective of this statement is to reduce the GAAP hierarchy to two categories of authoritative GAAP from the four categories under GASB Statement No. 55. The Statement is effective for the periods beginning after June 15, 2015, or the 2015-2016 fiscal year. The District has not determined the effect of the statement.

GASB Statement No. 77 – In August 2015, GASB issued Statement No 77, *Tax Abatement Disclosures*. The Statement requires state and local governments to disclose information about tax abatement agreements. The Statement is effective for the periods beginning after December 15, 2015, or the 2016-2017 fiscal year. The District has not determined the effect of the statement.

NOTE 2 – CASH AND INVESTMENTS

Cash and investments are classified as the accompanying financial statements as follows:

Statement of Net Position	
Cash and investments	\$ 18,756,614
Restricted investments - Non-current	7,205,094
Statement of Fiduciary Assets and Liabilities	
Cash and cash equivalents	1,488,925
Total Cash and Investments	\$ 27,450,633

Cash and investments as of June 30, 2015, consist of the following:

Petty cash	\$ 800
Cash	1,738,099
Investments	25,711,734
Total Cash and Investments	\$ 27,450,633



YUCAIPA VALLEY WATER DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015**

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NOTE 2 – CASH AND INVESTMENTS, (Continued)

Investments Authorized by the California Government Code and the Yucaipa Valley Water District's Investment Policy

The table below identifies the investment types that are authorized for the Yucaipa Valley Water District by the California Government Code and the District's policy, whichever is more restrictive. The table also identifies certain provisions of the California Government Code that address interest rate risk and concentration of credit risk. This table does not address investments of debt proceeds held by bond trustee that are governed by the provisions of debt agreements of the Yucaipa Valley Water District, rather than the general provisions of the California Government Code.

Authorized Investment Type	Maximum Maturity	Maximum Percentage of Portfolio	Maximum Investment in One Issuer
U.S. Treasury Obligations	5 years	None	None
Money Market Accounts	N/A	None	None
Local Agency Investment Fund (LAIF)	N/A	None	None

Investments Authorized by Debt Agreements

Investment of debt proceeds held by the bond trustee is governed by provisions of the debt agreement, rather than the general provisions of the California Government Code or the District's investment policy. The table below identifies the investment types that are authorized for investments held by bond trustee. The table also identifies certain provisions of the debt agreement that address interest rate risk, credit risk, and concentration of credit risk.

Authorized Investment Type	Maximum Maturity	Maximum Percentage of Portfolio	Maximum Investment in One Issuer
U.S. Treasury Obligations	None	None	None
U.S. Agency Securities	None	None	None
Banker's Acceptances	180 days	40%	30%
Commercial Paper	270 days	25%	10%
Repurchase Agreements	365 days	None	None
Negotiable Certificates of Deposit	None	30%	None
Money Market Mutual Funds	None	None	None

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NOTE 2 – CASH AND INVESTMENTS, (Continued)

Disclosures Relating to Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. One of the ways that the Yucaipa Valley Water District manages its exposure to interest rate risk is by purchasing a combination of shorter term and longer term investments and by timing cash flows from maturities so that a portion of the portfolio is maturing or coming close to maturity evenly over time as necessary to provide the cash flow and liquidity needed for operations.

Information about the sensitivity of the fair values of the District's investments to market interest rate fluctuations is provided by the following table that shows the distribution of the District's investments by maturity:

Investment Type	Fair Value	Maturity 12 Months or Less
L AIF	\$ 19,616,595	\$ 19,616,595
U.S. Treasury Bills	500,925	500,925
Money Market Funds	5,594,214	5,594,214
Total	\$ 25,711,734	\$ 25,711,734

Disclosures Relating to Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Presented below is the rating as of year-end for each investment type:

Investment Type	Fair Value	S&P Rating at June 30, 2015
L AIF	\$ 19,616,595	Unrated
U.S. Treasury Bills	500,925	AA+
Money Market Funds	5,594,214	AAAm
Total	\$ 25,711,734	



YUCAIPA VALLEY WATER DISTRICT

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NOTE 2 – CASH AND INVESTMENTS, (Continued)

Custodial Credit Risk

Custodial credit risk for *deposits* is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for *investments* is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The California Government Code and the Yucaipa Valley Water District's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments, other than the following provision for deposits: The California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110 percent of the total amount deposited by the public agencies. California law also allows financial institutions to secure deposits by pledging first trust deed mortgage notes having a value of 150 percent of the secured public deposits. Bank deposits are covered by the federal depository insurance (FDIC) for the first \$250,000. As of June 30, 2015, the District has \$540,590 of cash in excess of the FDIC limit. The uninsured deposits were held by financial institutions, which are legally required by the California Government Code to collateralize the District's deposits as noted above.

Investment in State Investment Pool

The District is a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by California Government Code Section 16429 under the oversight of the Treasurer of the State of California. The fair value of the District's investment in this pool is reported in the accompanying financial statements, at amounts based upon the District's pro-rata share of the fair value provided by LAIF, for the entire LAIF portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis.

LAIF is a governmental investment pool managed and directed by the California State Treasurer and is not registered with the Securities and Exchange Commission. An oversight committee comprised of California State officials and various participants provide oversight to the management of the fund. The daily operations and responsibilities of LAIF fall under the auspices of the State Treasurer's office. The District is a voluntary participant in the investment pool.

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NOTES TO THE FINANCIAL STATEMENTS
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NOTE 3 – CAPITAL ASSETS

The following tables summarize capital asset activity during 2014-2015:

Water Fund	Balance June 30, 2014	Increases	Decreases	Balance June 30, 2015
Capital assets not being depreciated:				
Land and easements	\$ 4,111,106			\$ 4,111,106
Water rights	432,941			432,941
Construction in progress	790,916	\$ 4,825,893	\$ (783,241)	4,833,568
Total capital assets not being depreciated	5,334,963	4,825,893	(783,241)	9,377,615
Capital assets being depreciated:				
Structures and improvements	127,860,707	701,378	(80,831)	128,481,254
Equipment	4,072,299	345,891	(60,009)	4,358,181
Total capital assets being depreciated	131,933,006	1,047,269	(140,840)	132,839,435
Less accumulated depreciation for:				
Structures and improvements	(33,025,753)	(3,095,306)	80,831	(36,040,228)
Equipment	(3,462,214)	(192,652)	60,009	(3,594,857)
Total accumulated depreciation	(36,487,967)	(3,287,958)	140,840	(39,635,085)
Total capital assets being depreciated, net	95,445,039	(2,240,689)		93,204,350
Water Fund capital assets, net	\$ 100,780,002	\$ 2,585,204	\$ (783,241)	\$ 102,581,965

Depreciation expense was \$3,287,958 for the year ended June 30, 2015.

YUCAIPA VALLEY WATER DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
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NOTE 3 – CAPITAL ASSETS, (Continued)

Sewer Fund	Balance June 30, 2014	Increases	Decreases	Balance June 30, 2015
Capital assets not being depreciated:				
Land and easements	\$ 1,476,200			\$ 4,111,106
Water rights	5,487,035			432,941
Construction in progress	330,032	\$ 102,853	\$ (81,788)	351,097
Total capital assets not being depreciated	<u>7,293,267</u>	<u>102,853</u>	<u>(81,788)</u>	<u>7,314,332</u>
Capital assets being depreciated:				
Structures and improvements	173,535,816	132,881		173,668,697
Equipment	1,597,780	10,260	(18,772)	1,589,268
Total capital assets being depreciated	<u>175,133,596</u>	<u>143,141</u>	<u>(18,772)</u>	<u>175,257,965</u>
Less accumulated depreciation for:				
Structures and improvements	(48,963,844)	(4,053,307)		(53,017,151)
Equipment	(1,335,926)	(31,233)	18,772	(1,348,387)
Total accumulated depreciation	<u>(50,299,770)</u>	<u>(4,084,540)</u>	<u>18,772</u>	<u>(54,365,538)</u>
Total capital assets being depreciated, net	<u>124,833,826</u>	<u>(3,941,399)</u>		<u>120,892,427</u>
Sewer Fund capital assets, net	<u>\$ 132,127,093</u>	<u>\$ (3,838,546)</u>	<u>\$ (81,788)</u>	<u>\$ 128,206,759</u>

Depreciation expense was \$4,084,540 for the year ended June 30, 2015.

Recycled Water Fund	Balance June 30, 2014	Increases	Decreases	Balance June 30, 2015
Capital assets not being depreciated				
Land and easements				
Water rights				
Construction in progress	\$ 5,442,019	\$ 224,176	\$ (5,391)	5,660,804
Total capital assets not being depreciated	<u>5,442,019</u>	<u>224,176</u>	<u>(5,391)</u>	<u>5,660,804</u>
Capital assets being depreciated:				
Structures and improvements	24,702,608	16,992		24,719,600
Equipment	147,000			147,000
Total capital assets being depreciated	<u>24,849,608</u>	<u>16,992</u>		<u>24,866,600</u>
Less accumulated depreciation for:				
Structures and improvements	(4,221,457)	(762,379)		(4,983,836)
Equipment	(14,700)	(14,700)		(29,400)
Total accumulated depreciation	<u>(4,236,157)</u>	<u>(777,079)</u>		<u>(5,013,236)</u>
Total capital assets being depreciated, net	<u>20,613,451</u>	<u>(760,087)</u>		<u>19,853,364</u>
Recycled Water Fund capital assets, net	<u>\$ 26,055,470</u>	<u>\$ (535,911)</u>	<u>\$ (5,391)</u>	<u>\$ 25,514,168</u>

Depreciation expense was \$777,079 for the year ended June 30, 2015.



YUCAIPA VALLEY WATER DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
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NOTE 4 – REFUNDING REVENUE BONDS SERIES 2015

In 2015, the District sold certificates of participation in the amount of \$30,810,000 to refund the 2004 Certificates of Participation. As a result, the 2004 Certificates of Participation were retired and the liability for those bonds has been removed from the statement of net position. Proceeds were also used to pay delivery costs of the certificates. These bonds reduced the present value of future debt service payments. The transaction resulted in a reduction of debt service payments of \$9,818,987 over the next 20 fiscal years and an economic gain (difference between the present values of the debt service payments of the original 2004 and 2015 debt) of \$9,874,586.

Certificates began maturing on September 1, 2015 with semi-annual interest payments due March 1 and September 1 at various interest rates from 3.00 to 5.00 percent. Principal payments are due annually September 1 at various amounts from \$980,000 to \$2,240,000. The final principal payment of the certificates is scheduled for September 1, 2034. See Note 12 for revenues pledged. The Bonds are recorded in the Water Fund.

Maturities of the revenue refunding bonds are as follows:

Fiscal Year Ending	2015 Refunding Revenue Bonds		
	Principal	Interest	Total
2016	\$ 980,000	\$ 1,314,014	\$ 2,294,014
2017	1,030,000	1,265,662	2,295,662
2018	1,065,000	1,228,912	2,293,912
2019	1,115,000	1,179,737	2,294,737
2020	1,170,000	1,122,612	2,292,612
2021-2025	6,700,000	4,768,710	11,468,710
2026-2030	8,430,000	3,034,885	11,464,885
2031-2035	10,320,000	1,152,180	11,472,180
Total	\$ 30,810,000	\$ 15,066,712	\$ 45,876,712

YUCAIPA VALLEY WATER DISTRICT

NOTES TO THE FINANCIAL STATEMENTS JUNE 30, 2015

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NOTE 5 – STATE REVOLVING FUND LOAN - 2006

In August 2006, the District entered into a loan agreement with the State of California Water Resources Control Board to provide funding for the expansion and modification of the Henry N. Wochholz Wastewater Treatment Plant. The maximum amount of \$44,748,356 has been drawn. The loan accrues interest at a rate of 2.4 percent annually. Principal and interest payments are due in 20 annual installments. The first payment occurred in September 2009. The District has pledged all revenues and amounts legally available to repay the loan. The loan is recorded in the Sewer Fund.

Fiscal Year Ending	2006 State Revolving Fund Loan		
	Principal	Interest	Total
2016	\$ 2,097,629	\$ 826,039	\$ 2,923,668
2017	2,147,973	775,696	2,923,669
2018	2,199,524	724,145	2,923,669
2019	2,252,313	671,356	2,923,669
2020	2,306,368	617,301	2,923,669
2021-2025	12,389,185	2,229,159	14,618,344
2026-2029	11,025,313	669,361	11,694,674
Total	<u>\$ 34,418,305</u>	<u>\$ 6,513,057</u>	<u>\$ 40,931,362</u>

NOTE 6 – STATE REVOLVING FUND LOAN - 2010

In June 2010, the District entered into a loan agreement with the State of California Water Resources Control Board (SWRCB) to provide the funding for the construction of the Regional Brineline Extension Project. The maximum amount of \$9,752,100 has been drawn plus interest accrued during the period of construction of \$183,714. The loan accrues interest at a rate of 2.7 percent annually. Principal and interest payments are due in 20 annual installments. In accordance with Amendment No. 1 of the loan agreement, the first payment occurred in December 2013. The District has pledged all revenues and amounts legally available to repay the loan. The loan is recorded in the Sewer Fund.

Fiscal Year Ending	2010 State Revolving Fund Loan		
	Principal	Interest	Total
2016	\$ 401,939	\$ 247,335	\$ 649,274
2017	412,791	236,483	649,274
2018	423,936	225,337	649,273
2019	435,383	213,891	649,274
2020	447,138	202,136	649,274
2021-2025	2,423,433	822,935	3,246,368
2026-2030	2,768,747	477,621	3,246,368
2031-2033	1,847,186	100,634	1,947,820
Total	<u>\$ 9,160,553</u>	<u>\$ 2,526,372</u>	<u>\$ 11,686,925</u>

YUCAIPA VALLEY WATER DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
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NOTE 7 – STATE REVOLVING FUND LOANS – 2013 (WISE)

In December 2011, the District entered into a loan agreement (Wise) with the State of California Water Resources Control Board (SWRCB) to provide the funding for Recycled Water Fund projects. The maximum amount of the loan is \$2,988,364. The loan accrues interest at a rate of 2.2 percent annually. Principal and interest payments are due in 20 annual installments. The first payment occurred in March 2014. The District has pledged all revenues and amounts legally available to repay the loan. The loan is recorded in the Sewer Fund.

Fiscal Year Ending	2013 (Wise) State Revolving Fund Loan		
	Principal	Interest	Total
2016	\$ 125,283	\$ 59,968	\$ 185,251
2017	127,966	57,285	185,251
2018	130,782	54,470	185,252
2019	133,659	51,592	185,251
2020	136,599	48,652	185,251
2021-2025	729,419	196,838	926,257
2026-2030	813,264	112,993	926,257
2031-2033	532,169	23,585	555,754
Total	\$ 2,729,141	\$ 605,383	\$ 3,334,524

NOTE 8 – STATE REVOLVING FUND LOANS – 2013 (R-10.3)

In December 2011, the District entered into a loan agreement (R-10.3) with the State of California Water Resources Control Board (SWRCB) to provide the funding for Recycled Water Fund projects. The maximum amount of the loan is \$871,570. The loan accrues interest at a rate of 2.2 percent annually. Principal and interest payments are due in 20 annual installments. The first payment occurred in March 2014. The District has pledged all revenues and amounts legally available to repay the loan. The loan is recorded in the Sewer Fund.

Fiscal Year Ending	2013 (R-10.3) State Revolving Fund Loan		
	Principal	Interest	Total
2016	\$ 36,691	\$ 17,586	\$ 54,277
2017	37,493	16,784	54,277
2018	38,318	15,959	54,277
2019	39,161	15,116	54,277
2020	40,023	14,254	54,277
2021-2025	259,319	66,344	325,663
2026-2030	243,523	27,864	271,387
2031-2033	105,075	3,480	108,555
Total	\$ 799,603	\$ 177,387	\$ 976,990



YUCAIPA VALLEY WATER DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
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NOTE 9 – STATE REVOLVING FUND LOANS – 2013 (CROW)

In December 2011, the District entered into a loan agreement (Crow Street) with the State of California Water Resources Control Board (SWRCB) to provide the funding for Recycled Water Fund projects. The maximum amount of the loan is \$342,124. The loan accrues interest at a rate of 2.2 percent annually on amounts drawn. As of June 30, 2015 \$310,179 has been drawn on the Crow Street loan. Repayment will be made in 20 annual installments beginning one year after the completion of the project. The District has pledged all revenues and amounts legally available to repay the loan. The loan is recorded in the Sewer Fund.

Fiscal Year Ending	2013 (Crow) State Revolving Fund Loan		
	Principal	Interest	Total
2016	\$ 13,795	\$ 5,459	\$ 19,254
2017	12,734	6,520	19,254
2018	13,014	6,240	19,254
2019	13,300	5,954	19,254
2020	13,593	5,661	19,254
2021-2025	72,584	23,687	96,271
2026-2030	80,928	15,344	96,272
2031-2034	90,231	6,041	96,272
Total	\$ 310,179	\$ 74,906	\$ 385,085

NOTE 10 – COMPENSATED ABSENCES

It is the District's policy to permit employees to accumulate earned but unused vacation, sick leave and comp time, a portion of which will be paid to employees upon separation from the District. At June 30, 2015, total accruals for Water, Sewer and Recycled Water funds amount to \$709,803, \$478,283, and \$0 respectively. The District estimated, based on historical trends, that approximately \$223,515, \$167,399, and \$0 of the Water, Sewer, and Recycled Water balances, respectively, will come due during fiscal year 2015-2016.

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NOTE 11 – CHANGES IN LONG-TERM LIABILITIES

The following table summarizes changes in long-term liabilities balances for the fiscal year ended June 30, 2015:

	Balance June 30, 2014	Additions	Repayments	Balance June 30, 2015	Amount Due in 2015-16
2004 Certificates of Participation	\$ 37,930,000		\$ (37,930,000)		
2015 Refunding Revenue Bonds		\$ 30,810,000		\$ 30,810,000	\$ 980,000
Unamortized premium	76,629	3,407,297	(133,416)	3,350,510	
Total Certificates of Participation	39,005,461	34,217,297	(38,063,416)	34,160,510	980,000
State Revolving Fund Loan - 2006	36,466,770		(2,048,466)	34,418,304	2,097,629
State Revolving Fund Loan - 2010	9,551,925		(391,372)	9,160,553	401,939
State Revolving Fund Loan - 2013 Wise	2,846,612	24,907	(142,378)	2,729,141	125,283
State Revolving Fund Loan - 2013 R-10.3	793,213	40,470	(34,081)	799,602	36,691
State Revolving Fund Loan - 2013 Crow		310,179		310,179	13,795
Total State Revolving Fund Loans	49,658,520	375,556	(2,616,297)	47,417,779	2,675,337
Compensated absences	1,134,217	53,869		1,188,086	390,914
Net pension liability	6,169,335		(1,222,325)	4,947,010	
Total Long-term Liabilities	\$ 95,967,533	\$ 34,646,722	\$ (41,902,038)	\$ 87,713,385	\$ 4,046,251

NOTE 12 – REVENUE PLEDGED

The District has pledged future water fund revenues, net of specified operating expenses, to repay \$30,810,000 in refunding revenue bonds (2015 bonds) issued in 2015 as disclosed in Note 4. Net revenues are defined in the 2015 bond documents as operating income, less specified operating expenses, plus specified non operating income. The 2015 bonds refunded the 2004 Certificates of Participation (COP). Proceeds from the COPs provided financing for the construction of the Yucaipa Valley Regional Water Filtration Facility (YVRWFF). The 2015 bonds are payable through 2035. Net revenues are anticipated to equal at least 110 percent of annual principal and interest payments. The total principal and interest remaining to be paid on the 2015 bonds is \$45,876,712. Principal and interest paid for the current year and total customer net revenues were \$0 and \$5,603,491, respectively.

For the 2006, 2010, and 2013 State revolving loans, the District has pledged all revenues and amounts legally available to repay the loans.

NOTE 13 – DEFINED BENEFIT PENSION PLAN

Plan Description – All qualified permanent and probationary employees are eligible to participate in the District's Miscellaneous Employee Pension Plan (Plan), a cost-sharing multiple employer defined benefit pension plan administered by the California Public Employees Retirement System (CalPERS). Benefit provisions under the Plans are established by State statute and may be amended by District resolution. CalPERS issues publicly available reports that include a full description of the pension plans regarding benefit provisions, assumptions and membership information can be found on the CalPERS website.



YUCAIPA VALLEY WATER DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
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NOTE 13 – DEFINED BENEFIT PENSION PLAN, (Continued)

Benefits Provided – CalPERS provides retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees, and beneficiaries. Benefits are based on years of credited service, equal to one year of full time employment. Members with five years of total service are eligible to retire at age 60 with statutorily reduced benefits. All members are eligible for non-duty disability benefits after 10 years of service. The death benefit is one of the following: the Basic Death Benefit, the 1957 Survivor Benefit, or the Optional Settlement 2W Death Benefit. The cost of living adjustments for each plan are applied as specified by the Public Employees’ Retirement Law.

The Plan's provisions and benefits in effect at June 30, 2015, are summarized as follows:

	PEPRA -	
	<u>Miscellaneous</u>	<u>Miscellaneous</u>
Hire Date	Prior to January 1, 2013	On or after January 1, 2013
Formula	2% @ 60	2% @ 62
Benefit vesting schedule	5 years of service	5 years of service
Benefit payments	monthly for life	monthly for life
Retirement age	60	62
Monthly benefits, as a % of annual salary	2.00%	2.00%
Required employee contribution rates	7%	6.25%
Required employer contribution rates	14.936%	6.25%

Contributions – Section 20814(c) of the California Public Employees’ Retirement law requires that the employer contribution rates for all public employers are determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in rate. Funding contributions for the Plan are determined annually on an actuarial basis as of June 30 by CalPERS. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The District is required to contribute the difference between the actuarially determined rate and the contribution rates of employees.

Contributions to the pension plan from the District were \$570,529 for the year ended June 30, 2015.

Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions

As of June 30, 2015, the District reported a net pension liability for its proportionate share of the net pension liability of the Plan as follows:

	Proportionate Share of Net Pension Liability
Total Net Pension Liability	<u>\$ 4,947,010</u>



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NOTE 13 – DEFINED BENEFIT PENSION PLAN, (Continued)

The District’s net pension liability for each Plan is measured as the proportionate share of the net pension liability. The net pension liability of the Plan is measured as of June 30, 2014 and the total pension liability for each Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2013 rolled forward to June 30, 2014 using standard actuarial procedures. The District’s proportion of the net pension liability was based on a projection of the District’s long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. The District’s proportionate share of the net pension liability for the Plan as of June 30, 2013 and 2014 follows:

Proportion - June 30, 2013	0.07653%
Proportion - June 30, 2014	<u>0.07950%</u>
Change - Increase (Decrease)	<u>-0.00297%</u>

At the year ended June 30, 2015, the District’ recognized pension expense of \$394,072. At June 30, 2015, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources		Deferred Inflows of Resources
Contributions subsequent to the measurement date	\$ 570,529		
Difference between actual contributions and proportionate share of contributions	25,111		
Differences in proportions	57,878	\$	2,452
Differences between projected and actual earnings on investments	-		1,193,136
	\$ 653,518	\$	1,195,588

\$570,529 reported as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30,	
2016	\$ (269,521)
2017	(269,521)
2018	(275,274)
2019	(298,283)
	\$ (1,112,599)

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NOTE 13 – DEFINED BENEFIT PENSION PLAN, (Continued)

Actuarial Assumptions – The total pension liabilities in the June 30, 2013 actuarial valuations were determined using the following actuarial assumptions.

Valuation Date	June 30, 2013
Measurement Date	June 30, 2014
Actuarial Assumptions:	
Discount Rate	7.5%
Inflation	2.75%
Projected Salary Increase	3.3% - 14.2% (1)
Investment Rate of Return	7.5% (2)
Mortality	Derived using CalPERS' Membership Data

- (1) Depending on age, service and type of employment
- (2) Net of pension plan investment and administrative expenses, including inflation

The underlying mortality assumptions and all other actuarial assumptions used in the June 30, 2013 valuation were based on the results of a January 2014 actuarial experience study for the period of 1997 to 2011. Further details of the Experience Study can be found on the CalPERS website.

Discount Rate – The discount rate used to measure the total pension liability was 7.50 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that the District’s contributions will be made at rates equal to the difference between actuarially determined contributions rates and the employee rate. Based on those assumptions, the pension plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all period of projected benefit payments to determine the total pension liability.

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NOTE 13 – DEFINED BENEFIT PENSION PLAN, (Continued)

In determining the long-term expected 7.50 percent rate of return on pension plan investments, CalPERS took into account both short and long-term market return expectations as well as the expected pension fund cash flows. Based on the expected benefit payments of the Public Employees’ Retirement Fund, CalPERS indicated that a 19 year horizon was ideal in determining the level equivalent discount rate assumption. Using historical returns of all the funds’ asset classes, expected compound (geometric) returns were calculated over the short-term (first 10 years) and the long-term (11-60 years) using a building-block approach. Using the expected nominal returns for both short-term and long term, the present value of benefits was calculated for each fund. The expected rate for return was set by calculating the single equivalent expected return of return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long term returns. The expected rate of return was then set equivalent to the single equivalent rate calculated above and rounded down to the nearest one quarter of one percent. The target allocation and best estimates of arithmetic real rates of return for each major asset class are the same for each Plan. These geometric rates of return are net of administrative expenses and are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return Years 1-10	Long-Term Expected Real Rate of Return Years 11+
Global Equity	47%	5.25%	5.71%
Global Fixed Income	19%	0.99	2.43
Inflation Sensitive	6%	0.45	3.36
Private Equity	12%	6.83	6.95
Real Estate	11%	4.50	5.13
Infrastructure and Forestland	3%	4.50	5.09
Liquidity	2%	(0.55)	(1.05)
Total	100%		

YUCAIPA VALLEY WATER DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015**

Draft Copy 11/03/15

NOTE 13 – DEFINED BENEFIT PENSION PLAN, (Continued)

Sensitivity of the Net Pension Liability to Changes in the Discount Rate – The following presents the net pension liability of the District for the Plan, calculated using the discount rate for each Plan, as well as what the District’s net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

1% Decrease		6.50%
Net Pension Liability	\$	7,907,674
Current Discount Rate		7.50%
Net Pension Liability	\$	4,947,010
1% Increase		8.50%
Net Pension Liability	\$	2,489,940

Pension Plan Fiduciary Net Position – Detailed information about the pension plan's fiduciary net position is available in the separately issued CalPERS financial reports.

NOTE 14 – COMMITMENTS

The District has entered into contracts for various services and projects that will require payments in future fiscal years. The contract amounts and remaining commitments as of June 30, 2015, are summarized below:

<u>Description</u>	<u>Contract Amounts</u>	<u>Remaining Commitment</u>
Water fund and General Operating projects	\$ 9,031,108	\$ 4,852,785
Sewer fund projects	2,546,111	2,338,247
Recycled Water fund projects	365,492	78,421
Total	\$ 11,942,711	\$ 7,269,453

NOTE 15 – INTERFUND ACTIVITY

Interfund Services Provided

The Sewer fund reimburses the Water fund for the expenses related to administration, accounting and general services. The reimbursement is reflected in the statement of revenues, expenses and changes in net position as the revenue "Interfund services provided" in the Water Fund and included as the expense "Administrative services" in the Sewer fund. The amount reimbursed for these services was \$153,500 as of June 30, 2015.



YUCAIPA VALLEY WATER DISTRICT**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015***Draft Copy 11/03/15***NOTE 16 – RISK MANAGEMENT**

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During the year ended June 30, 2015, the District purchased insurance through various commercial carriers to cover these risks with various limits including the Real Property & Business Personal Property blanket limit of \$95,041,921. The District has had no settled claims resulting from these risks that exceeded its commercial coverage in any of the past three fiscal years.

NOTE 17 – PROPERTY TAXES

Under California law, property taxes are assessed and collected by the counties up to 1 percent of assessed value, plus other increases approved by the voters. The property taxes go into a pool, and are then allocated to entities based on complex formulas. The property tax calendar for San Bernardino and Riverside County is as follows:

Lien date	January 1
Levy date	July 1
Due date	November 1 and February 1
Collection dates	December 10 and April 10

NOTE 18 – COMMUNITY FACILITIES DISTRICTS

The District acts in a fiduciary capacity for a community facilities district that was formed to finance the construction and installation of a reservoir that will service properties located within the community facilities district. The bonds issued by the community facilities districts are payable solely from the revenues of annual special taxes levied against land within the districts and do not constitute an indebtedness of the Yucaipa Valley Water District. Yucaipa Valley Water District is not liable for the bonds, but acts as an agent for the bondholders. Since the District is acting in an agency capacity, the assets and liabilities of the community facilities district have been excluded from the District's statement of net position. The amount outstanding on the bonds at June 30, 2015 was 11,015,000.



YUCAIPA VALLEY WATER DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015

Draft Copy 11/03/15

NOTE 19 – RESTATEMENT OF NET POSITION

As discussed in Note 1 to the financial statements, the District adopted Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions—an amendment of GASB Statement No. 27* and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an Amendment of GASB Statement No. 68*, as of July 1, 2014. The impact of the implementation on the beginning net position is as follows:

	Water Fund Net Position	Sewer Fund Net Position	Recycled Water Fund Net Position
Balance at June 30, 2014 as previously reported	\$ 73,010,161	\$ 87,412,312	\$ 29,575,594
Net pension liability as of the measurement date of June 30, 2013	(3,501,485)	(2,617,568)	(50,282)
Contributions after the measurement date - deferred outflows of resources	285,937	213,755	4,106
Balance at July 1, 2014 as restated	<u>\$ 69,794,613</u>	<u>\$ 85,008,499</u>	<u>\$ 29,529,418</u>

Following is the pro forma effect of the retroactive application:

	2014 Previously Presented	Restatement	2014 Restated
Deferred outflows of resources	\$ -	\$ 503,798	\$ 503,798
Net pension liability	-	6,169,335	6,169,335

In accordance with GASB 68, the restatement of all deferred outflows and inflows was not practical and therefore not included in the restatement of beginning balances.

Financial Statements
Audited Financial Statements - Fiscal Year 2015

Draft Copy 11/03/15

Required Supplementary Information

YUCAIPA VALLEY WATER DISTRICT

**REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE
 OF THE NET PENSION LIABILITY – LAST TEN YEARS*
 AS OF THE FISCAL YEAR ENDING JUNE 30, 2015**

Draft Copy 11/03/15

	<u>2015</u>
Proportion of the collective net pension liability	0.07950%
Proportionate share of the collective net pension liability	\$ 4,947,010
Covered - employee payroll	\$ 4,616,557
Proportionate Share of the collective net pension liability as a percentage of covered-employee payroll	107.16%
Plan fiduciary net position as a percentage of the total pension liability	79.82%

* - Fiscal year 2015 was the first year of implementation, therefore, only one year is shown.

YUCAIPA VALLEY WATER DISTRICT

**REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CONTRIBUTIONS LAST TEN YEARS*
AS OF THE FISCAL YEAR ENDING JUNE 30, 2015**

Draft Copy 11/03/15

	<u>2015</u>
Actuarially determined contributions	\$ 570,529
Contributions in relation to the actuarially determined contribution	570,529
Contribution deficiency (excess)	<u>\$ -</u>
Covered-employee payroll	\$ 4,710,310
Contributions as a percentage of covered-employee payroll	12.11%

* - Fiscal year 2015 was the first year of implementation, therefore, only one year is shown.

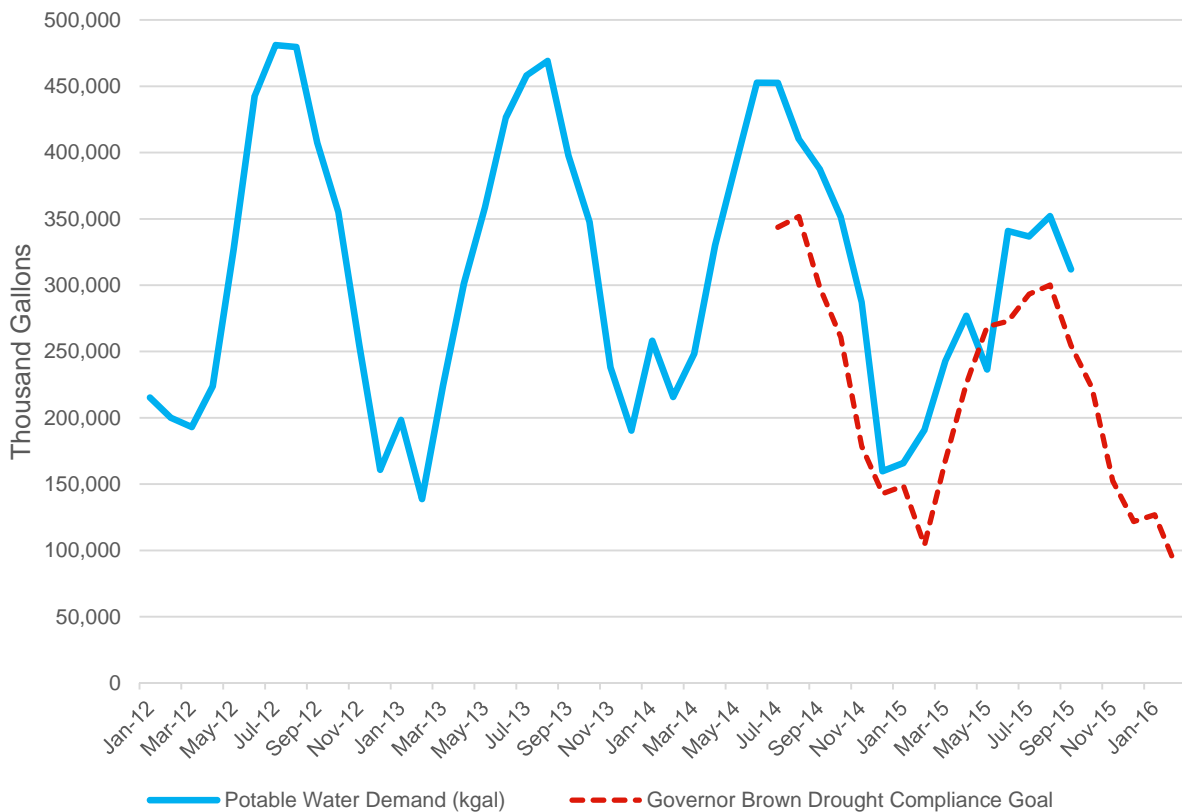


Date: November 10, 2015

Subject: Overview of the California Drought and Yucaipa Valley Water District’s Action Plan Related to the State Water Resources Control Board Mandatory Restrictions to Achieve a 36% Reduction in Potable Urban Water Use

On May 5, 2015, the State Water Resources Control Board (“SWRCB”) adopted emergency regulations to achieve a 25% statewide reduction in potable urban water use. These stringent water use regulations will require the Yucaipa Valley Water District to achieve a 36% reduction from the amount of drinking water produced in 2013. In order to achieve this level of water conservation, the Yucaipa Valley Water District will need to provide water based on the following water demand curve.

Actual Water Consumption and Drought Regulatory Requirements



The chart above illustrates the difference between Governor Brown’s Drought Compliance Goal in 2014 at a 25% reduction, and in 2015 at a 36% reduction in potable water use based on the 2013 baseline period.

To achieve Governor Brown’s Drought Compliance Goal of a 36% reduction in potable water use from the 2013 baseline period, the Yucaipa Valley Water District has initiated numerous drought conservation programs and conducted a series of monthly community workshops to provide information to our customers.

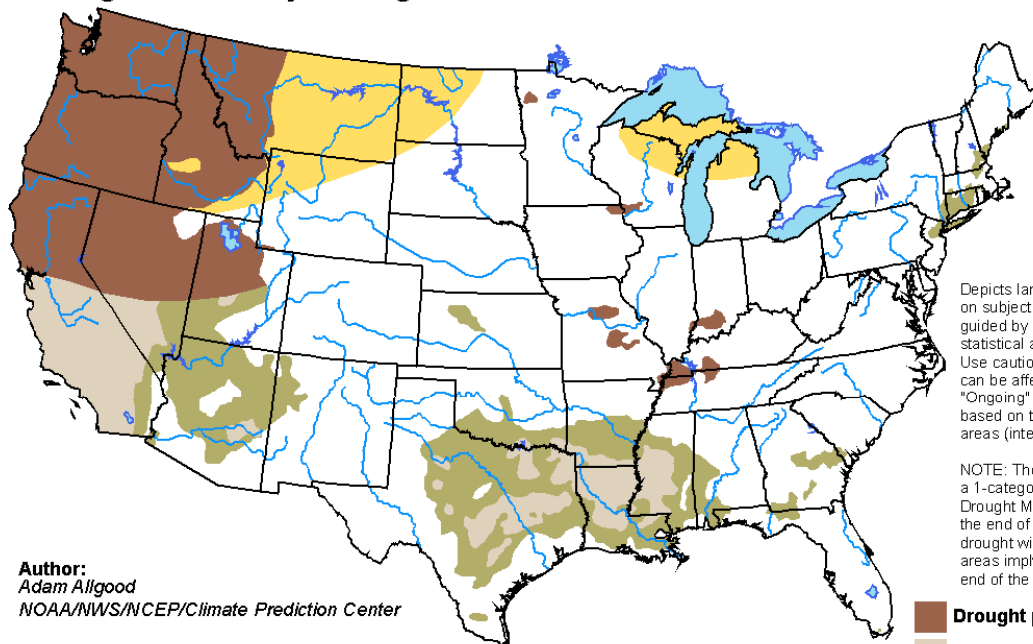
To achieve the 36% reduction, customers will need to immediately reduce the amount of water used for outdoor landscape purposes by 50% to 60%.

The purpose of this agenda item is to discuss the ongoing and evolving implementation strategy for our community.

Drought Status and Update

U.S. Seasonal Drought Outlook
Drought Tendency During the Valid Period

Valid for October 15 - January 31, 2016
 Released October 15, 2015



Depicts large-scale trends based on subjectively derived probabilities guided by short- and long-range statistical and dynamical forecasts. Use caution for applications that can be affected by short lived events. "Ongoing" drought areas are based on the U.S. Drought Monitor areas (intensities of D1 to D4).

NOTE: The tan areas imply at least a 1-category improvement in the Drought Monitor intensity levels by the end of the period, although drought will remain. The green areas imply drought removal by the end of the period (D0 or none).

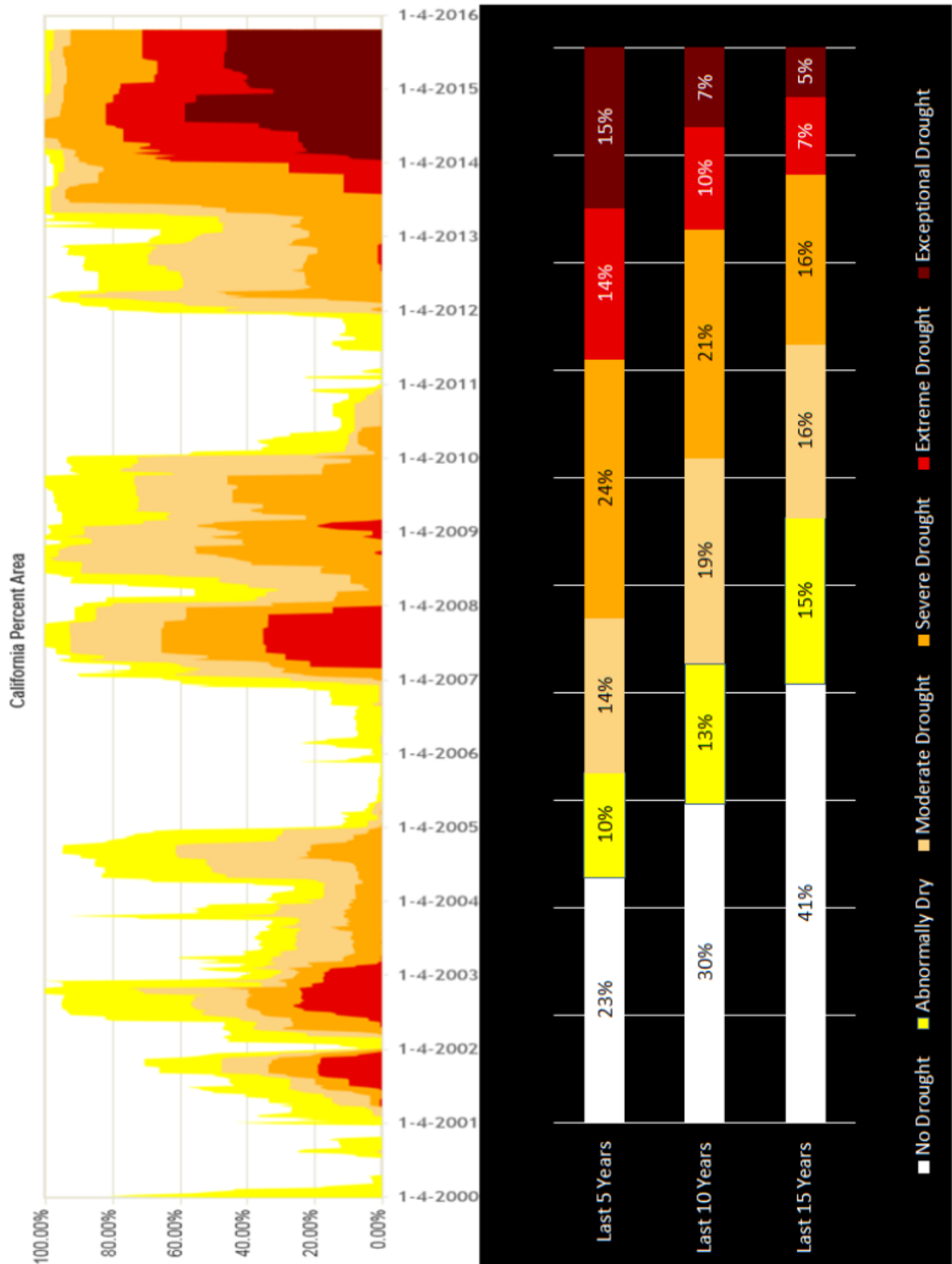
Author:
 Adam Allgood
 NOAA/NWS/NCEP/Climate Prediction Center

- Drought persists/intensifies
- Drought remains but improves
- Drought removal likely
- Drought development likely

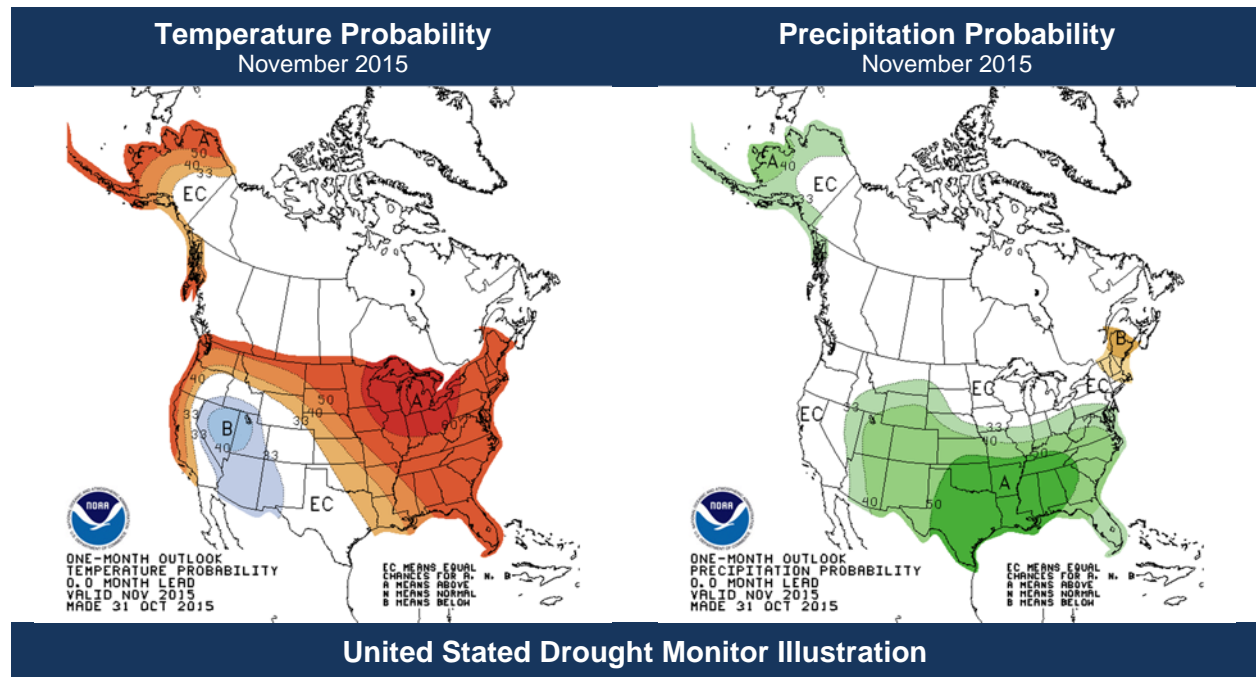


<http://go.usa.gov/3eZ73>



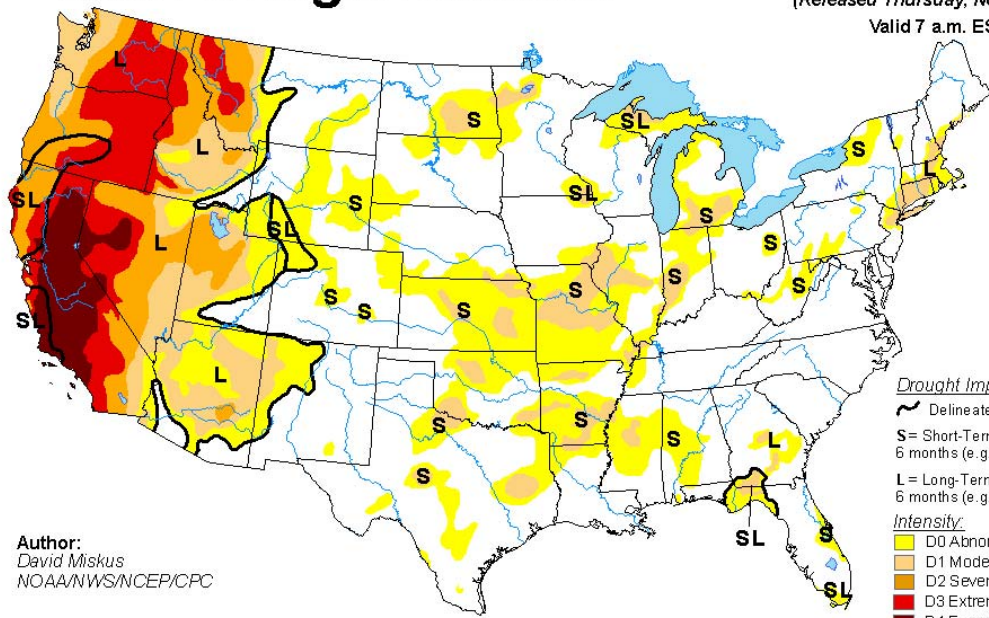


Precipitation Forecast Legend: Green = Above Normal Precipitation
Tan/Brown = Below Normal Precipitation



U.S. Drought Monitor

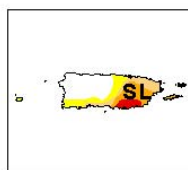
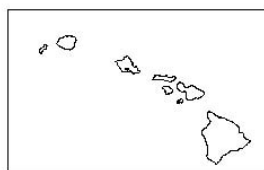
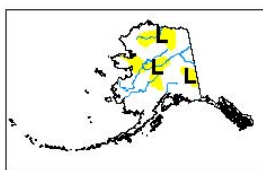
November 3, 2015
(Released Thursday, Nov. 5, 2015)
Valid 7 a.m. EST



Author:
David Miskus
NOAA/NWS/NCEP/CPC

Drought Impact Types:
 ~ Delineates dominant impacts
 S= Short-Term, typically less than 6 months (e.g. agriculture, grasslands)
 L= Long-Term, typically greater than 6 months (e.g. hydrology, ecology)
Intensity:
 D0 Abnormally Dry
 D1 Moderate Drought
 D2 Severe Drought
 D3 Extreme Drought
 D4 Exceptional Drought

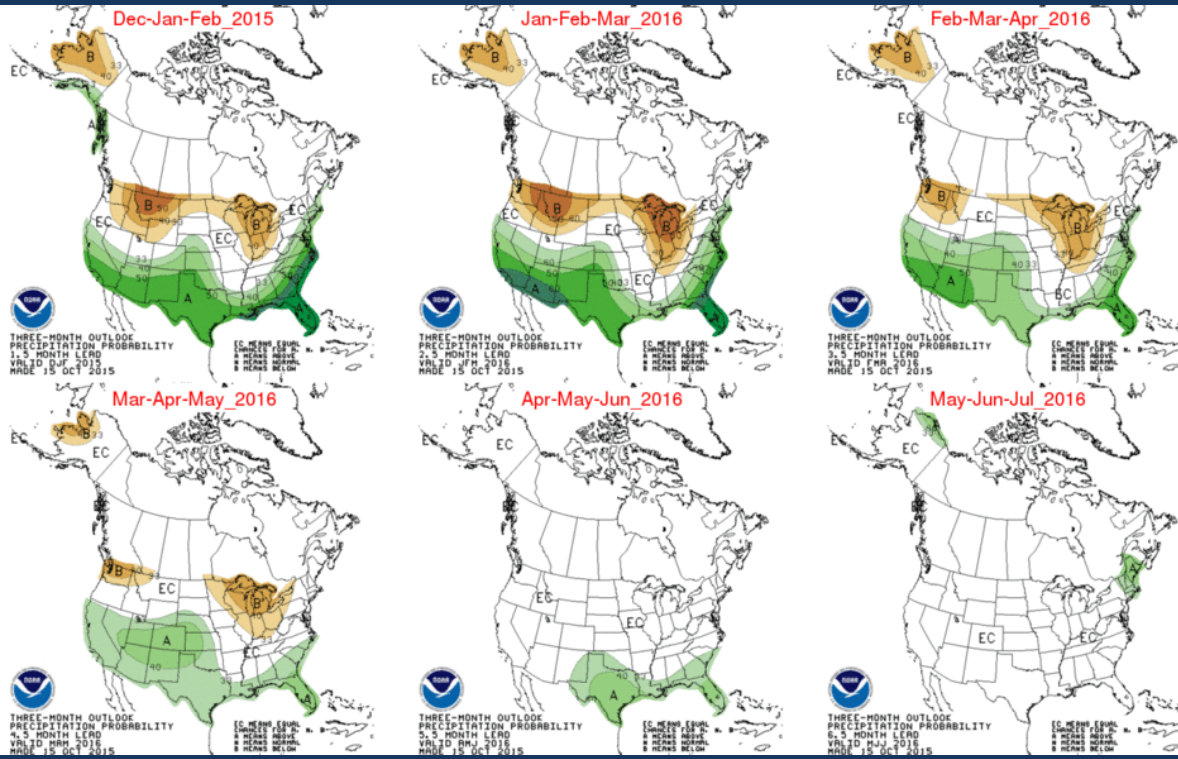
The Drought Monitor focuses on broad-scale conditions. Local conditions may vary. See accompanying text summary for forecast statements.



<http://droughtmonitor.unl.edu/>

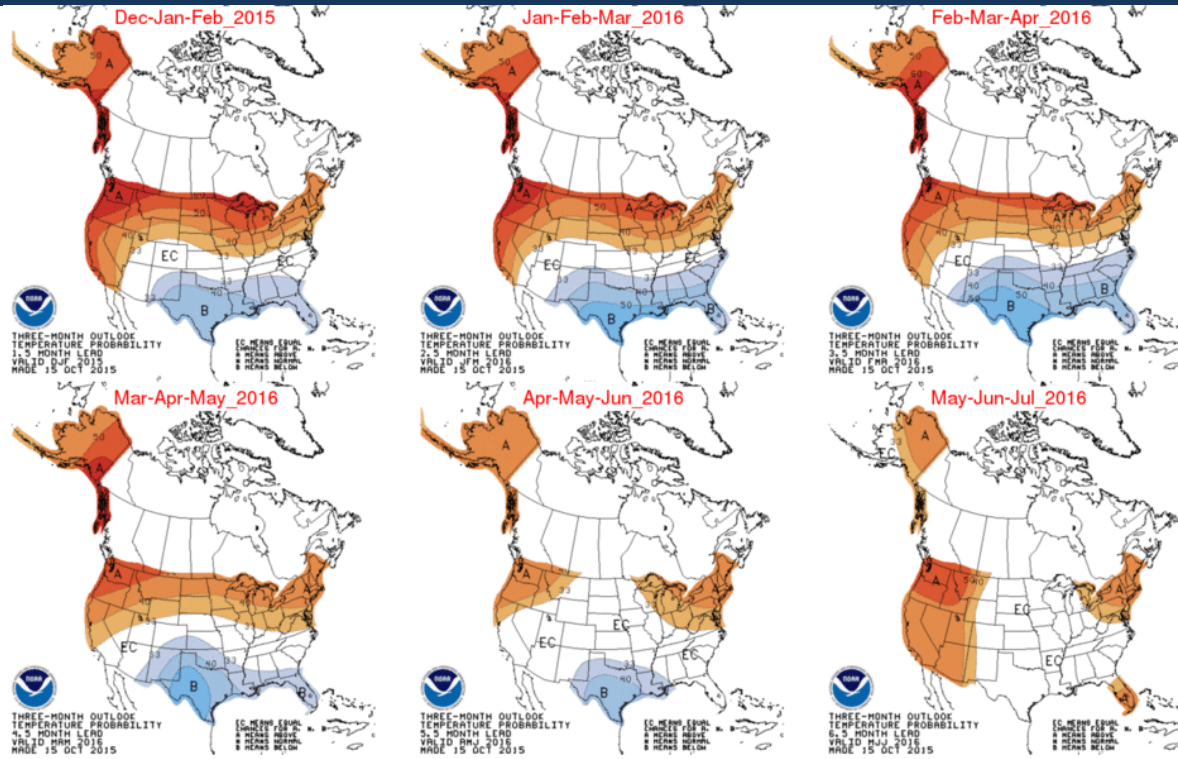
NOAA Multi-Season Precipitation Predictions - Three Month, Rolling Periods

http://www.cpc.ncep.noaa.gov/products/predictions/multi_season/13_seasonal_outlooks/color/p.gif



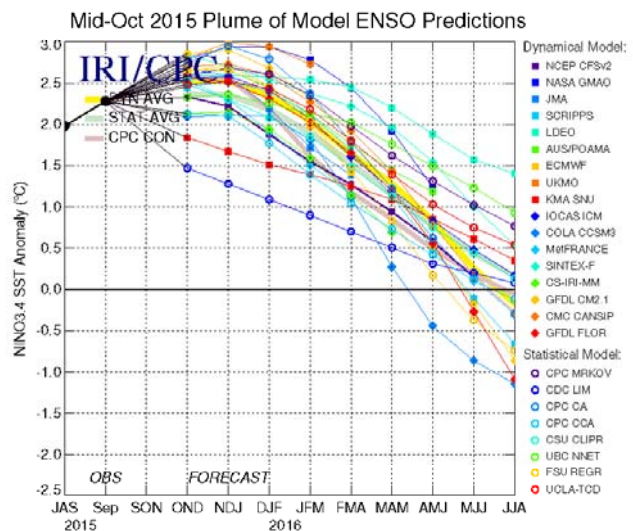
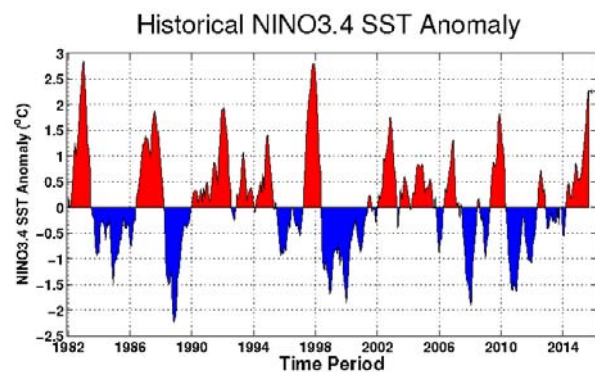
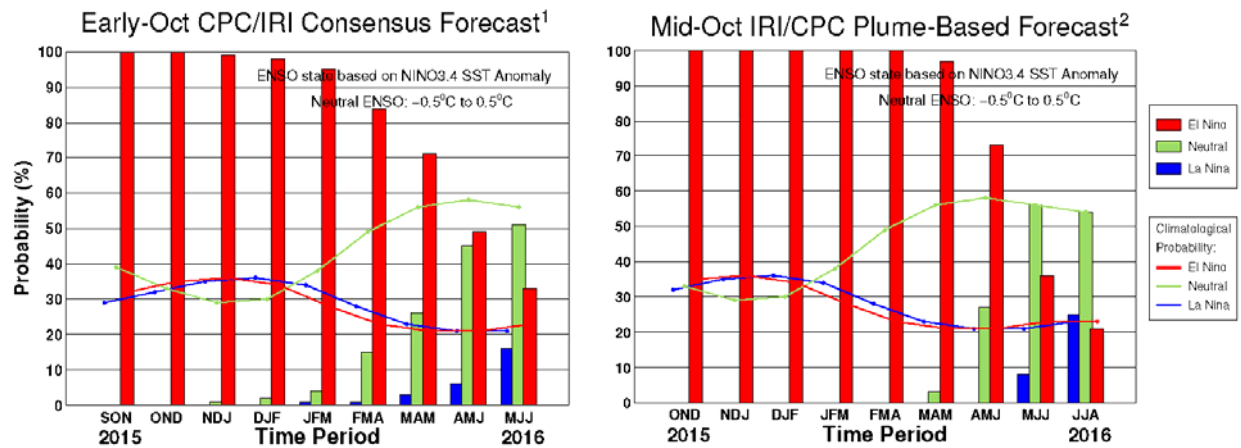
NOAA Multi-Season Temperature Predictions - Three Month, Rolling Periods

http://www.cpc.ncep.noaa.gov/products/predictions/multi_season/13_seasonal_outlooks/color/t.gif



ENSO QUICK LOOK October 15, 2015 A monthly summary of the status of El Niño, La Niña and the Southern Oscillation, or “ENSO”, based on NINO3.4 index (120-170W, 5S-5N)

During late September through mid-October 2015 the tropical Pacific SST was at a strong El Niño level. All atmospheric variables strongly support the El Niño pattern, including weakened trade winds and excess rainfall in the east-central tropical Pacific. The consensus of ENSO prediction models indicate continuation of strong El Niño conditions during the October-December 2015 season in progress. Some slightly further strengthening is possible into later fall, with the event slowly weakening during spring 2016.



Historically Speaking

- El Niño and La Niña events tend to develop during the period Apr-Jun and they:*
- Tend to reach their maximum strength during Dec-Feb
 - Typically persist for 9-12 months, though occasionally persisting for up to 2 years
 - Typically recur every 2 to 7 years

¹Based on a consensus of CPC and IRI forecasters, in association with the official CPC/IRI ENSO Diagnostic Discussion.

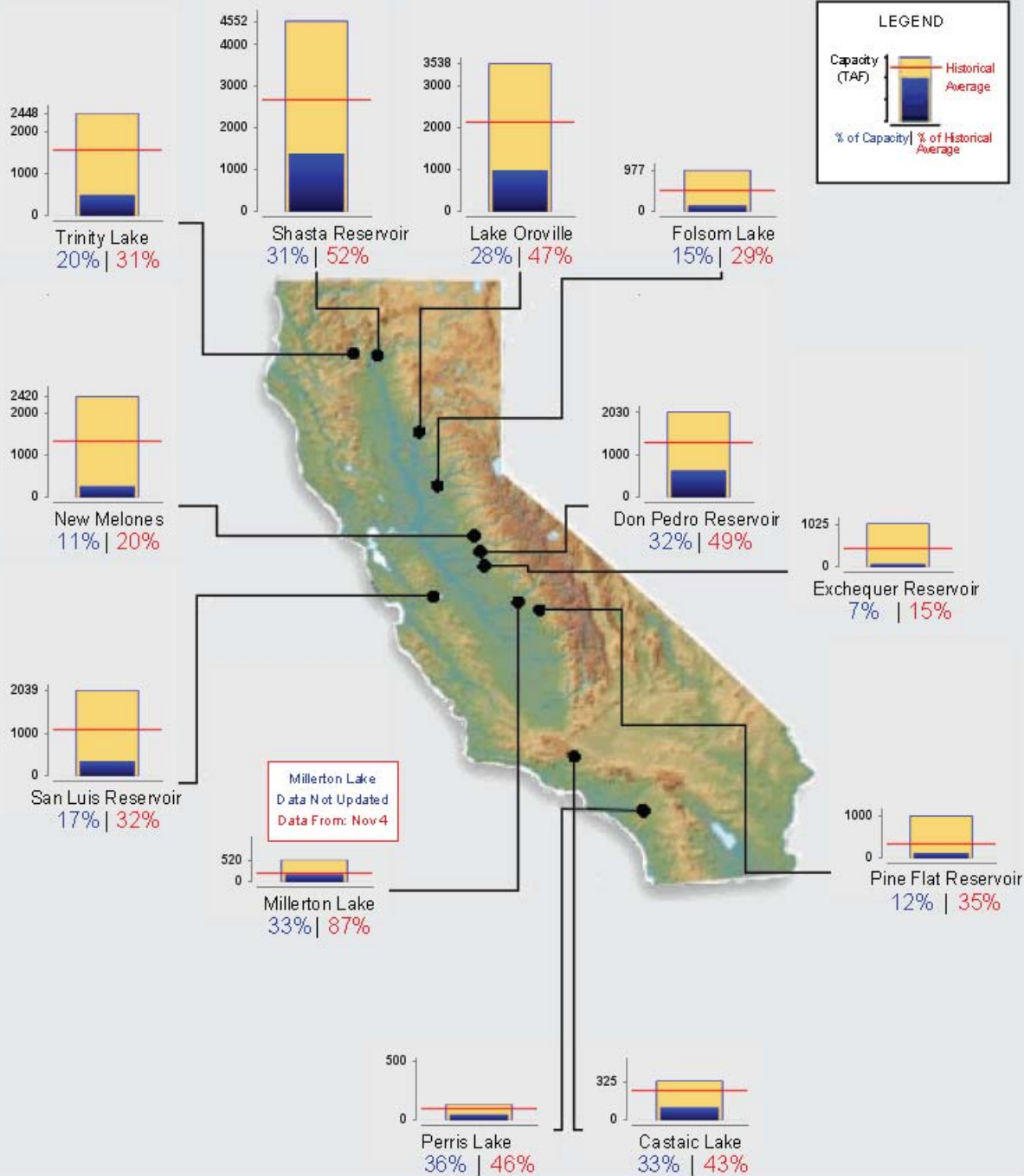
²Purely objective, based on regression, using equally weighted model predictions from the plume.



Reservoir Conditions

Ending At Midnight - November 5, 2015

CURRENT RESERVOIR CONDITIONS



Graph Updated 11/06/2015 10:15 AM



Date: November 10, 2015

Subject: Discussion Regarding a Cooperative Partnership with Curiosity Quest to Create Informational Videos for Various District Programs

Recently Yucaipa Valley Water District and the Yucaipa-Calimesa Joint Unified School District partnered with Curiosity Quest to film an informational video on proper irrigation techniques. The video is a great informational tool for the community and has aired on PBS several times since its production.



Curiosity Quest is an upbeat family series where host Joel Greene takes viewers on a hands-on exploration of various topics and community interests in southern California.

The staff members from the District and Curiosity Quest staff have been discussing the concept of producing additional video segments produced for use by the Yucaipa Valley Water District. These segments would be used on the District website, social media pages, and general public outreach.



October 8, 2015

Partnership Proposal with Yucaipa Valley Water District

- CQ Productions will create (4) segments about specified water topics using the multi-award winning Curiosity Quest Goes Green format, so they can be viewed by the community and used as resource for Yucaipa Valley Water District. Each will be 3-5 minutes in length and approved by the Yucaipa Valley Water District.
 - Segments provided will be as follows:
 - 1) Segment 1: Where does Yucaipa City water come from and how is it distributed?
 - 2) Segment 2: How is sewage processed, cleaned and used within the Yucaipa Valley Water District.
 - 3) Segment 3: How does the Recycled Water Filling Station Program work, where does the recycled water come from and how can recycled water be used.
 - 4) Segment 4: Advanced technologies used to process Yucaipa’s drinking water and recycled water supplies
- Said segments may be screened, distributed and viewed for educational purposes. Full media and online rights will be granted to Yucaipa Valley Water District. Sale and copy of segments are not permitted unless otherwise agreed upon with CQ Productions.
- Segments will be recorded in the Fall/Winter 2015/2016 and will be completed in Winter/Spring 2016.
- Joint editorial control of **Curiosity Quest Goes Green** will be between Yucaipa Valley Water District and CQ Productions.
- **Curiosity Quest Goes Green** may or may not air on other channels, networks, or different forms of sales and distribution. Underwriting spots are for PBS distribution of programs only unless otherwise agreed upon.
- The cost for services provided by CQ Productions will be a sum not to exceed \$18,900.

Yucaipa Valley Water District

CQ Productions, Producer

Print Name

Print Name

Signature

Signature

Capital Improvement Projects



Yucaipa Valley Water District



Date: November 10, 2015

Subject: Status Report on the Construction of a 6.0 Million Gallon Drinking Water Reservoir R-12.4 - Calimesa

At the regular meeting on July 16, 2014, the Board authorized the solicitation of bids for the construction of a 6.0 Million Gallon R-12.4 Reservoir located on Singleton Road in Calimesa [Director Memorandum No. 14-060]. On November 19, 2014, the Board of Directors awarded the construction contract for the reservoir facility to Gateway Pacific Contractors [Director Memorandum No. 14-091].



The purpose of this agenda item is to provide an update on the progress of the reservoir construction project.











Date: November 10, 2015

Subject: Status Report on the Installation of a 30” Drinking Water Pipeline and a 12” Drinking Water Pipeline in Second Street, Yucaipa

At the regular board meeting on September 3, 2014 the Board of Directors authorized the District staff to solicit bids for the construction of a 30” drinking water conveyance pipeline and 12” drinking water pipeline in Second Street, Yucaipa [Director Memorandum No. 14-072].

On July 15, 2015, the Board of Directors awarded the construction contract to Borden Excavating for \$536,755. [DM 15-070]

At the board meeting on November 18, 2015, the District staff will be recommending the approval of Change Order No. 1 for a decrease of \$8,375.00 due to the elimination of paving overlay and reduced inspection fees.

	Contract Changes	Contract Amount	Percentage Change from Original Bid Amount	Reference
Original Bid Amount		\$536,755.00	- -	DM 15-070
Change Order No. 1	(\$8,375.00)	\$528,380.00	1.6% decrease	DM 15-0xx

Financial Considerations:

Funding for this project will be from water depreciation reserves.

C.O. NO. 1

PAGE 1 OF 2

CONTRACT CHANGE ORDER NO. 1

CONTRACT 30" Potable Water Conveyance Pipeline - Phase II and 12" Second Street Pipeline
 DATED July 15, 2015 BY AND BETWEEN Yucaipa Valley Water District (OWNER), AND
 and Borden Excavating, Inc. (CONTRACTOR), is hereby directed to make the following change(s) in
 Contract Work:

ITEM NO.	DESCRIPTION OF CHANGE	DECREASE \$	INCREASE \$
1	Reduce reimbursement for City fees.	(\$9,500.00)	
2	Reduce Paving Quantities	(\$875.00)	
3	Furnish and Install 8" Gate Valve		\$2,000.00

Total DECREASE in Contract Amount	<u>(\$10,375.00)</u>
Total INCREASE in Contract Amount	<u>\$2,000.00</u>
Net change in Contract Amount	<u>(\$8,375.00)</u>
Contract Amount Prior to Change	<u>\$536,755.00</u>
Contract Amount Adjusted for Change	<u>\$528,380.00</u>

30" Potable Water Conveyance Pipeline - Phase II
 and 12" Second Street Pipeline
 March 2015

Change Order Form S-1









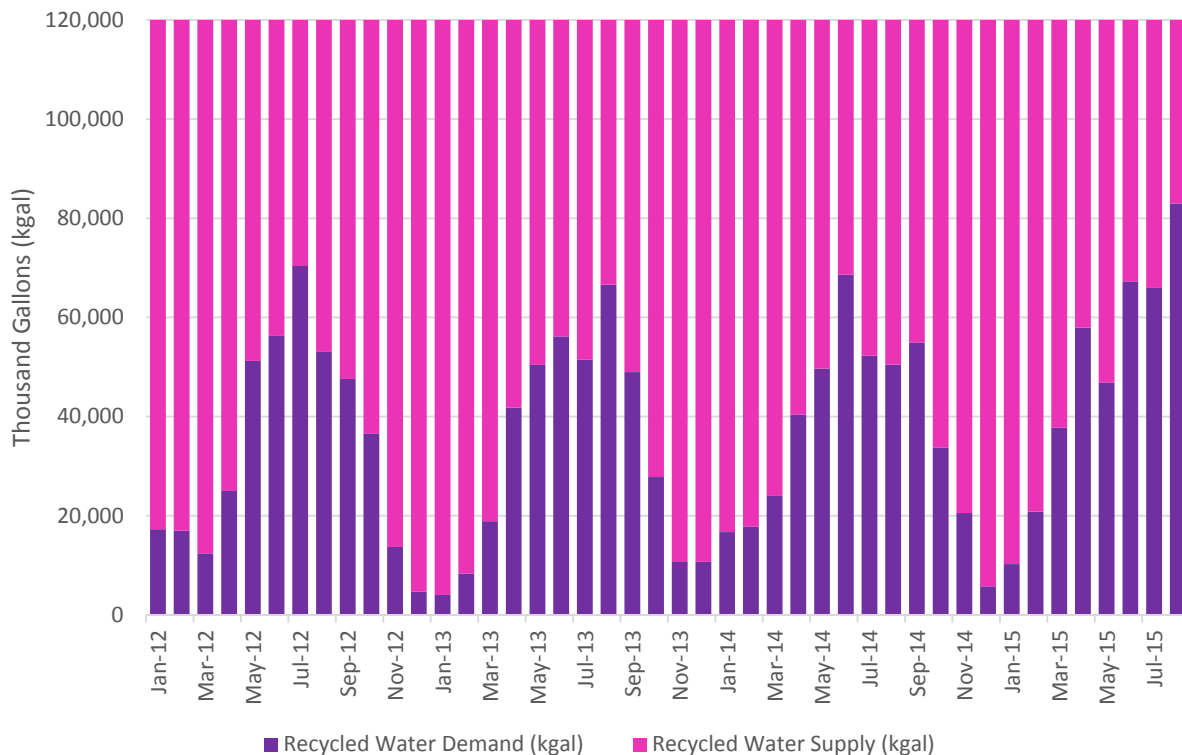


Date: November 10, 2015

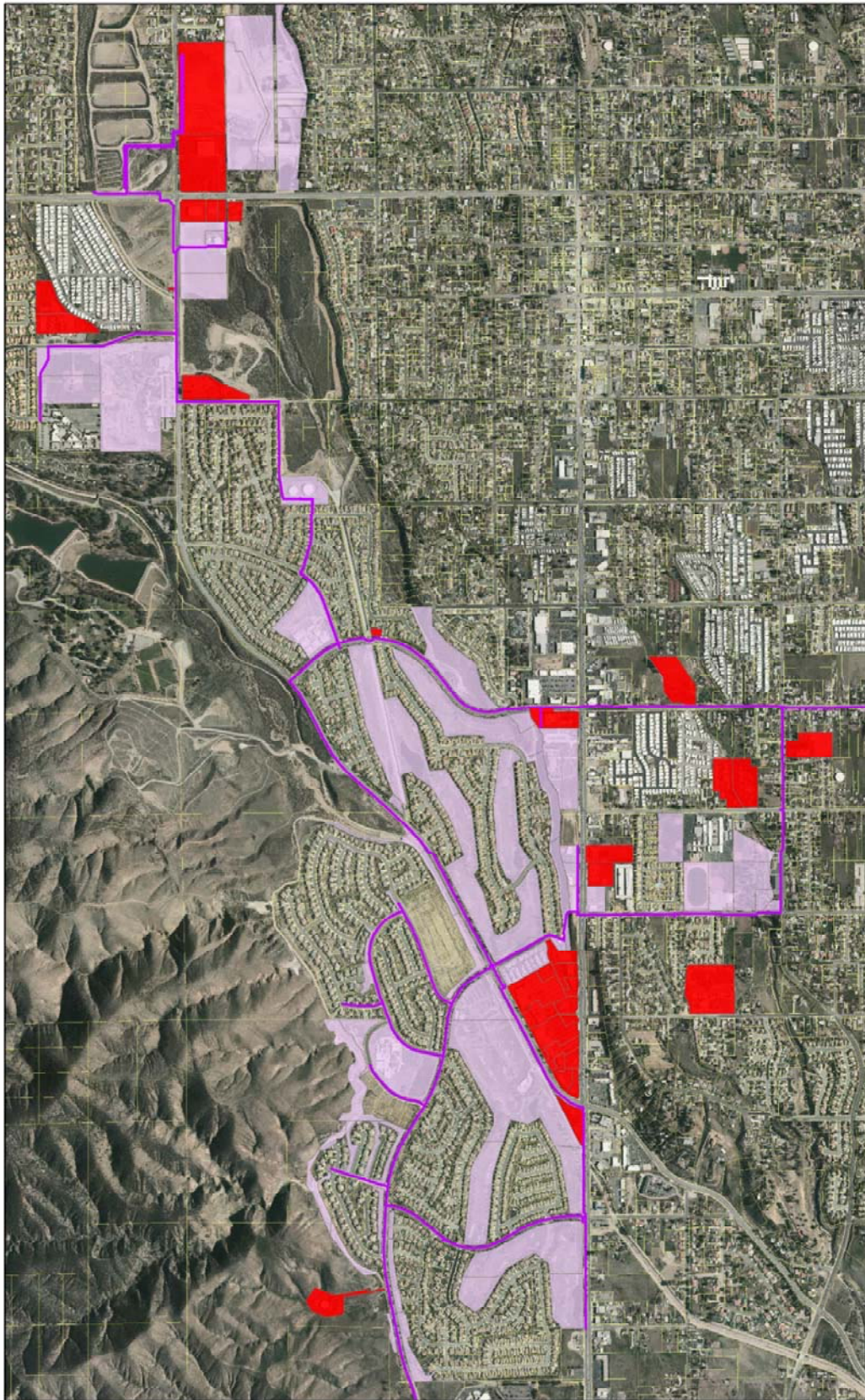
Subject: Status Report on the Installation of New Recycled Water Services and Recycled Water Pipelines Throughout the Service Area of the Yucaipa Valley Water District

Over the past decade, the Yucaipa Valley Water District has been expanding the recycled water system to reduce the amount of potable water used by our community. Currently the District uses only a portion of the total recycled water available for our community. By increasing the availability of the recycled water supply to new properties, the District will be able to protect the entire community against current and future drought impacts.

Recycled Water Supply and Demand



The District staff is working closely with property owners to facilitate new service connections to the existing recycled water system. The following map shows some of the targeted customers in the Yucaipa portion of our service area. The red parcels indicate properties planning for a new or expanded recycled water connection. The pink parcels are already connected to the recycled water system.



On June 17, 2015, the Board of Directors authorized the District staff to solicit bids for the construction of new recycled water pipelines and service connections to the existing recycled water system [Director Memorandum No. 15-057].

On September 16, 2015, the Board of Directors awarded a construction contract to Weka for a sum not to exceed \$411,536.

Financial Considerations:

Funding for this project will be from recycled water depreciation reserves.

Additional Information

In addition to new recycled water service connections, the District staff is working on a long-term plan to significantly expand the recycled water system as shown on the following map. Milestones and future decisions related to the expansion of the recycled water system will be provided in subsequent updates and memorandums.





Date: November 10, 2015

Subject: Status Report on the Digester Cleaning and Cover Replacement Project at the Wochholz Regional Water Recycling Facility

The Yucaipa Valley Water District operates and maintains four anaerobic digesters for sludge conditioning, each with a diameter of 45 feet and a side water depth of 22 feet, yielding a working capacity of approximately 262,000 gallons per digester. The digesters treat sludge drawn from both the primary clarifiers and from the dissolved air flotation thickeners. Digested sludge flows by gravity and can be stored temporarily in a sludge holding tank before being conveyed to the belt presses for dewatering. To keep the digesters functioning properly they should be cleaned every 8-10 years in order to remove the accumulated build-up of sand, grit, and other debris.

Projects	Construction Timeline	Summary of Work
Wastewater Treatment Plant	1976-design 1984-constr	<ul style="list-style-type: none"> Construction of Digester Nos. 1 and 2 and appurtenant equipment, (e.g. heaters) Digester No. 1 equipped with a fixed cover and Digester No. 2 equipped with a floating cover
Stage I Expansion Project	1992	<ul style="list-style-type: none"> Construction of Digester Nos. 3 and 4 Both Digester No. 3 and Digester No. 4 equipped with fixed covers
Digester No. 2 Cover Modifications	1994	<ul style="list-style-type: none"> Digester No. 2 cover converted from floating to fixed configuration
Digester Cleaning	2004	<ul style="list-style-type: none"> Digester Nos. 1-4 Cleaning
Digester Coating	2005	<ul style="list-style-type: none"> Digester Nos. 1-4 Coating of Cover
Digester and Sludge Holding Tank Modifications Project	2005	<ul style="list-style-type: none"> Digester Nos. 1-4 and Digester Holding Tank Pump Mix System installation

When the digesters were cleaned in 2005, the District staff assessed the condition of the digesters and related equipment. Based on corrosion identified at this time, the District made a decision to replace at least two covers the next time the digesters were scheduled to be cleaned.

In 2015, the District staff worked with RMC to develop a construction bid schedule that included a series of construction alternatives for cleaning and/or replacement of the digester covers. After carefully evaluating the cleaning/construction bids received for this project, the Board of Directors decided to award a construction contract to Pascal & Ludwig for the cleaning and replacement of four digester covers for a sum not to exceed \$2,175,000. [DM 15-041]

The purpose of this agenda item is to provide an update on the status of the construction project.



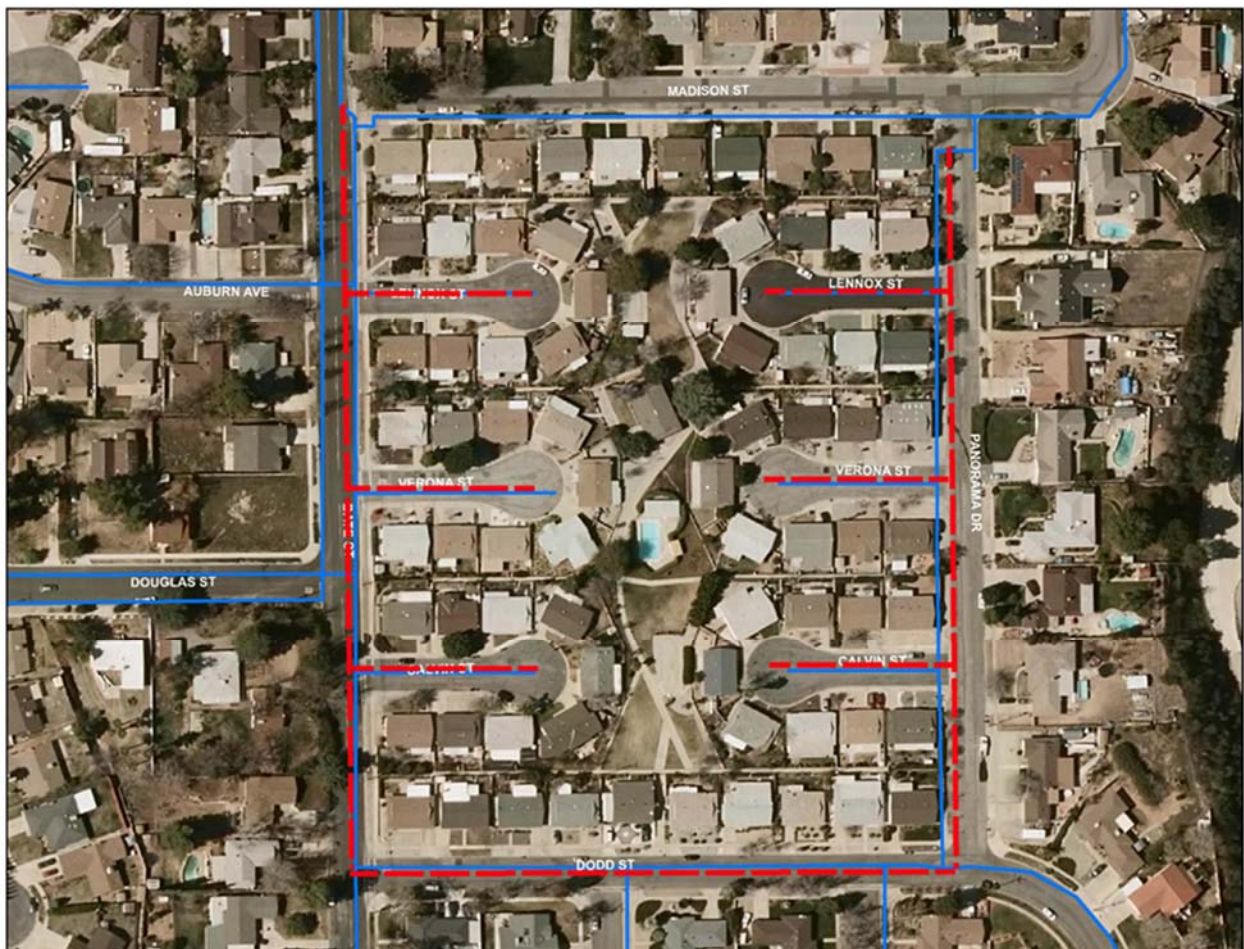


Date: November 10, 2015

Subject: Status Report on the Construction of Drinking Water Replacement Pipelines in Date Street, Dodd Street, Panorama Drive, Lennox Street, Verona Street and Calvin Street

At the board meeting on November 18, 2015, the District staff will be requesting authorization to solicit bids for the replacement drinking water pipelines on Date Street, Dodd Street, Panorama Drive, Lennox Street, Verona Street and Calvin Street. The proposed pipeline project involves the construction of 3,523 linear feet of 8-inch ductile iron pipe. These pipes will replace existing 4-inch steel, 6-inch steel and 6-inch asphalt concrete leak-prone pipe.

This project is categorically exempt from environmental review in accordance with the California Environmental Quality Act Guidelines Section 15301(c).



Administrative Items



Yucaipa Valley Water District

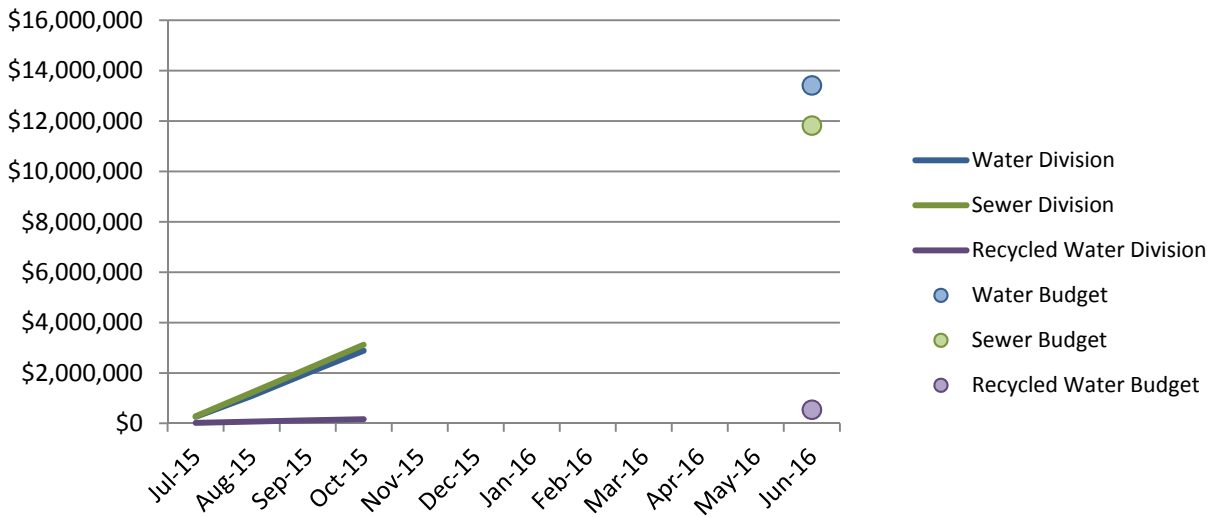


Date: November 10, 2015

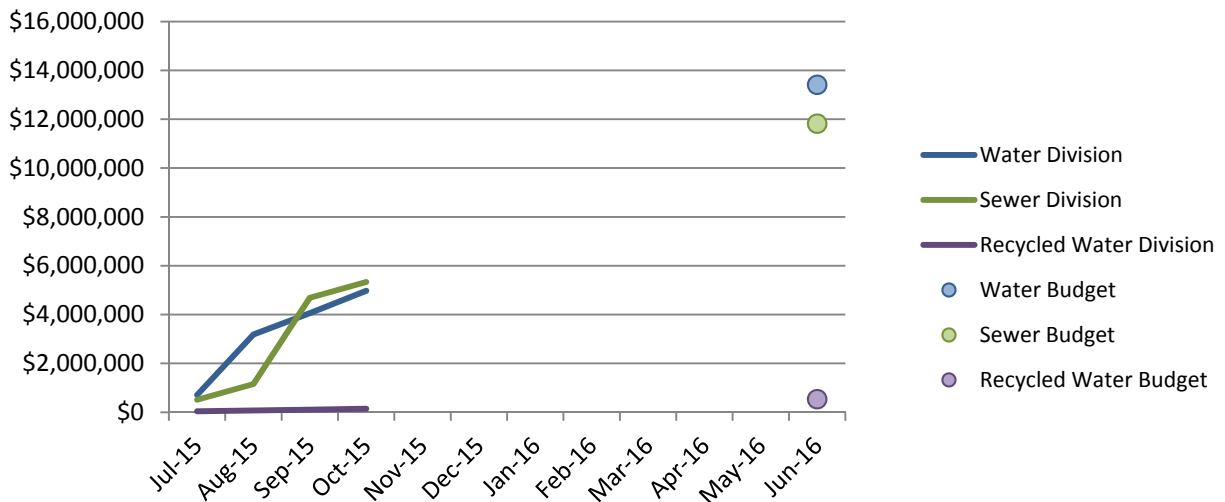
Subject: Review of the Unaudited Financial Report for the Period Ending on October 31, 2015

The District staff has prepared the attached Unaudited Financial Report for the period ending on June 30, 2015. A graphical summary of the current operating budget is provided below and detailed information follows as part of the monthly unaudited financial report.

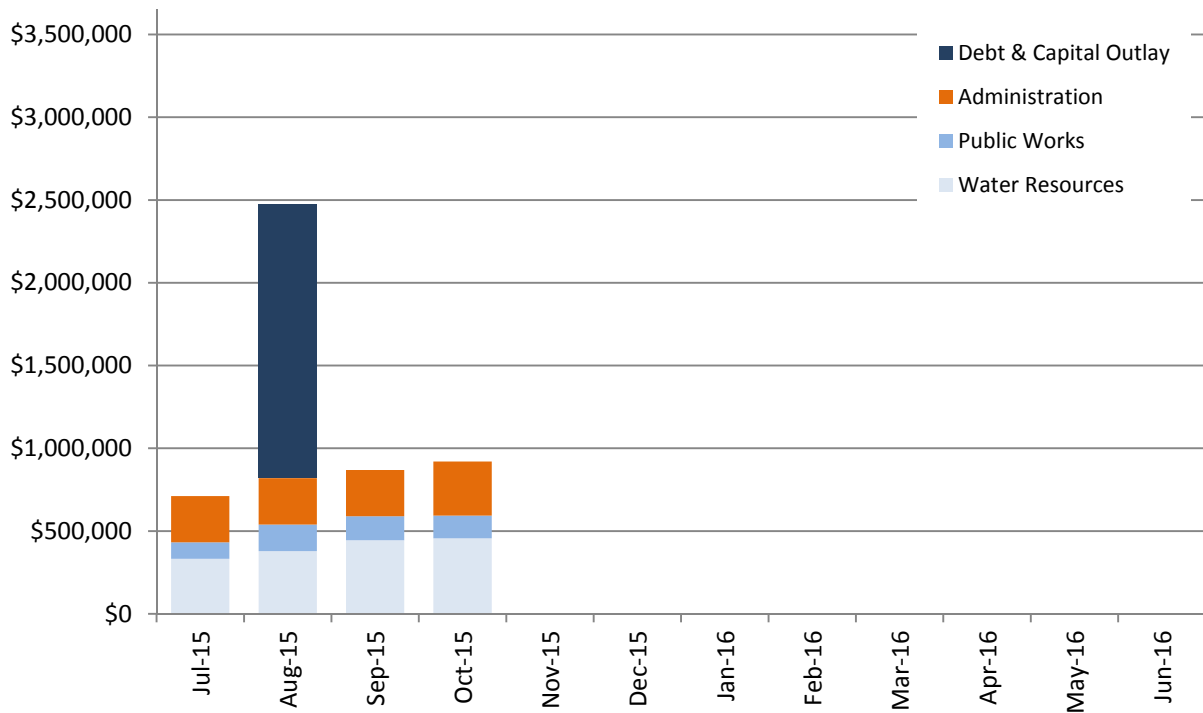
Fiscal Year 2016 YTD Revenues & Budget Targets



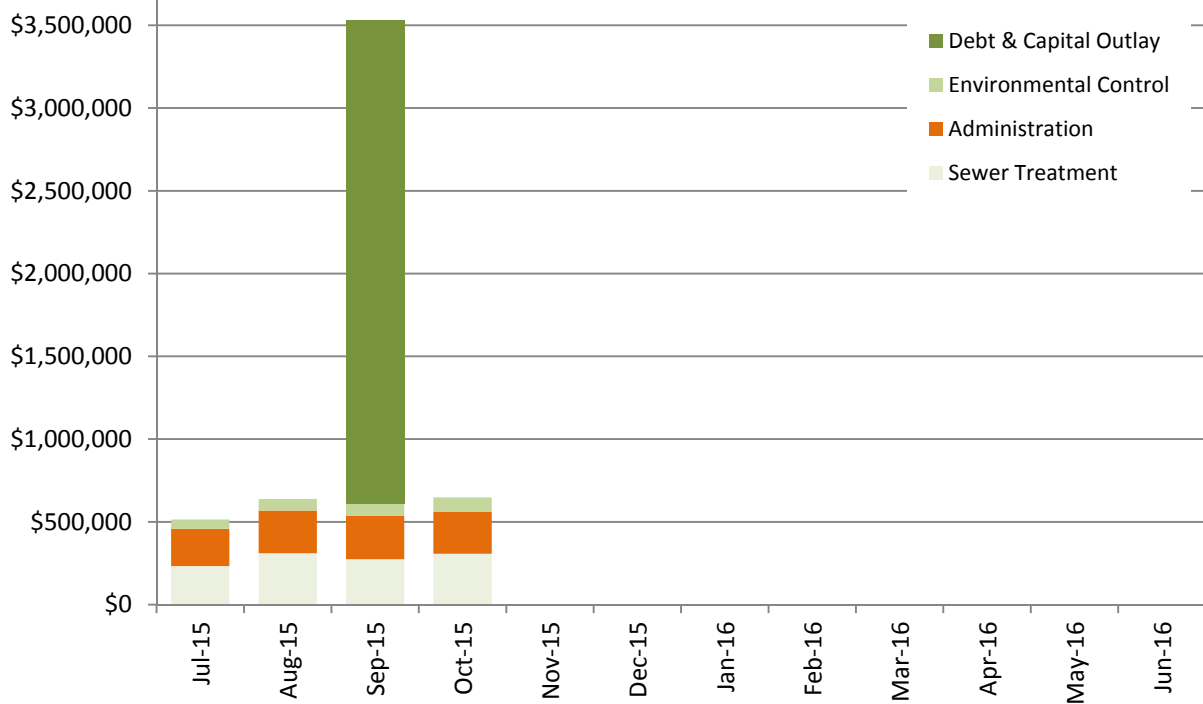
Fiscal Year 2016 YTD Expenses & Budget Targets



Water Division Monthly Expense Summary - FY 2016



Sewer Division Monthly Expense Summary - FY 2016





Yucaipa Valley Water District

Director Memorandum 15-0xx

Date: November 18, 2015

Prepared By: Vicky Elisalda, Controller
Peggy Little, Administrative Supervisor

Subject: Unaudited Financial Report for the Period Ending on October 31, 2015

Recommendation: That the Board receives and files the unaudited financial report as presented.

The following unaudited financial report has been prepared by the Administrative Department for your review. The report has been divided into six sections to clearly disseminate information pertaining to the financial status of the District. Please remember that the following financial information has not been audited.

Cash Fund Balance Report

[Detailed information can be found on page 5 to 6 of 29]

The Cash Fund Balance Report provides a summary of how the total amount of funds maintained by financial institutions is distributed throughout the enterprise and non-enterprise funds of the District. A summary of the report is as follows:

Fund Source	Operating Funds	Restricted Funds	Total Funds
Water Division	\$7,114,208.61	\$896,417.56	\$8,010,626.17
Sewer Division	\$12,572,148.25	(\$5,631,296.61)	\$6,940,851.64
Recycled Water Division	<u>\$3,009,996.14</u>	<u>\$369,859.32</u>	<u>\$3,379,855.46</u>
Total	\$22,696,353.00	(\$4,365,019.73)	\$18,331,333.27

Most of the funds reflected in the Cash Fund Balance Report are designated for specific purposes and are therefore restricted, either by law or by District policy.

Check Register

[Detailed information can be found on pages 9 to 13 of 31]

The check register lists each check processed during the month of October 2015. The District processed 199 checks during the month of October for a total sum of \$1,729,760.98. All checks are reviewed by District staff for accuracy and completeness, and usually signed by the General Manager and one Director, but may be signed by two Directors.

The Controller will make any check, invoice or supporting documentation available for review to any board member upon request.

Financial Account Information

[Detailed information can be found on pages 13 to 16 of 31]

The District currently deposits all revenue received into the Deposit Checking account. The General Checking account is used as a sole processing account for all District checks and electronic payroll. The Investment Checking account is used for the purchase and redemption of US treasury notes and bills and for the transfer of LAIF funds. The US treasury notes and bills are booked at cost.

The LAIF investment account is a pooled money account administered by the State of California. Additional information on the LAIF account is provided below in the investment summary report.

Investment Summary

[Detailed information can be found on pages 17 to 18 of 31]

The investment summary report illustrates the District's investments in US treasury notes and bills in addition to the investments held by the Local Agency Investment Fund or LAIF. The yields for the treasury notes and bills are provided for each individual transaction. The historical annual yield for funds invested with LAIF is also provided.

Separate pooled money investment reports prepared by the State of California are maintained by the District and available for review.

Monthly Revenue Allocation

[Detailed information can be found on pages 19 to 21 of 31]

During the month of October 2015 the District received a sum total of \$2,384,311.75 in revenues from the following categories:

- A total of \$1,744,646.97 was received from 14,181 customers for utility bill payments. This is the total amount of utility bill payments received from water, sewer and recycled services.
- A total of \$4,813.00 was received for construction meter deposits, customer deposits and internet fee payments.
- A total of \$409,084.64 was received from miscellaneous water related activities (other than utility bill charges).
- A total of \$225,709.00 was received from miscellaneous sewer related activities (other than utility bill charges).
- A total of \$58.14 was received from miscellaneous recycled related activities (other than utility bill charges).

Fiscal Year 2016 Budget Status

[Detailed information can be found on pages 22 to 31 of 31]

The revenue and expense budget status for the 2016 Fiscal Year is provided for your review.

**Summary of Revenue Budget
As of October 31, 2015 (29% of Budget Cycle)**

<u>Division</u>	<u>Budget Amount</u>	<u>Current Month</u>	<u>Year-To-Date</u>	<u>Percentage</u>
Water	13,412,500	883,010	2,883,791	21.50%
Sewer	11,820,000	953,547	3,119,016	26.39%
Recycled Water	537,250	47,348	164,802	30.68%
District Revenue	25,769,750	1,883,905	6,167,609	23.93%

**Summary of Water Budget
As of October 31, 2015 (29% of Budget Cycle)**

<u>Department</u>	<u>Budget Amount</u>	<u>Current Month</u>	<u>Year-To-Date</u>	<u>Percentage</u>
Water Resources	5,050,200	456,650	1,612,988	31.94%
Public works	2,385,800	137,186	541,154	22.68%
Administration	3,682,486	326,462	1,167,163	31.69%
Long Term Debt	2,294,014	0	1,653,457	72.08%
Asset Acquisition	0	0	0	0.00%
TOTAL	13,412,500	920,298	4,974,762	37.09%

**Summary of Sewer Budget
As of October 31, 2015 (29% of Budget Cycle)**

<u>Department</u>	<u>Budget Amount</u>	<u>Current Month</u>	<u>Year-To-Date</u>	<u>Percentage</u>
Treatment	3,789,816	307,185	1,125,387	29.70%
Administration	3,151,840	254,348	999,206	31.70%
Environmental Control	982,300	86,005	284,628	28.98%
Long Term Debt	3,896,044	2,923,669	2,923,669	75.04%
Asset Acquisition-Palmer	0	0	0	0.00%
TOTAL	11,820,000	3,571,207	5,332,890	45.12%

**Summary of Recycled Water Budget
As of October 31, 2015 (29% of Budget Cycle)**

<u>Department</u>	<u>Budget Amount</u>	<u>Current Month</u>	<u>Year-To-Date</u>	<u>Percentage</u>
Administration	537,250	40,196	143,428	26.70%
TOTAL	537,250	40,196	143,428	26.70%
District Expenses	25,769,750	4,531,701	10,451,080	40.56%

Investment Policy Disclosure

The District is currently compliant with the portfolio of its Investment Policy and State Law.

The District is using Sandy Gage with Merrill Lynch Wealth Management (Bank of America Corporation) for Treasury investments. The District expects to meet its expenditure requirements for the next six months.

Questions or Comments

If you have any questions about a particular budget account, please do not hesitate to contact the Controller directly. If you need additional information, the members of the Administrative Department would be happy to provide you with any detailed information you may desire.

Cash Fund Balance Report - October 2015

Water Division	GL#	Balance
*ID 1 Construction Funds	02-10216	\$ 293,145.85
*ID 2 Construction Funds	02-10217	\$ 80,409.31
*FCC - Debt Service YVRWFF Phase I	02-10401	\$ (344,666.44)
*FCC - Future YVRWFF Phase II & III	02-10403	\$ 293,818.61
*FCC - Recycled System	02-10410	\$ (1,059,411.04)
*FCC - Booster Pumping Plants	02-10411	\$ 480,306.90
*FCC - Pipeline Facilities	02-10412	\$ (576,858.25)
*FCC - Water Storage Reservoirs	02-10413	\$ 1,729,672.62
Depreciation Reserves	02-10310	\$ 2,999,189.14
Infrastructure Reserves	02-10311	\$ 2,119,607.00
Sustainability Fund	02-10313	\$ 646,419.36
Rate Stabilization Fund	02-10314	\$ 500,209.14
Imported Water Fund - MUNI	02-10315	\$ 126,614.73
Imported Water Fund - SGPWA	02-10316	\$ 859,739.04
Operating Funds:		\$ (137,569.80)
Total Water Division		\$ 8,010,626.17

Sewer Division	GL#	Balance
*SRF Reserve Fund - Brineline	03-10218	\$ 637,449.00
*SRF Reserve Fund - WISE	03-10219	\$ 184,928.00
*SRF Reserve Fund - R 10.3	03-10220	\$ 51,531.00
*SRF Reserve Fund - Crow St	03-10221	\$ -
*FCC - Debt Service WWTP Expansion & Upgrade	03-10405	\$ 993,636.50
*FCC - Future WWTP Expansion	03-10407	\$ 896,545.41
*FCC - Sewer Interceptors	03-10415	\$ (1,057,574.39)
*FCC - Lift Stations	03-10416	\$ 221,004.47
*FCC - Effluent Disposal Facilities	03-10417	\$ (1,770,649.00)
*FCC - Salt Mitigation Facilities	03-10418	\$ (5,788,167.60)
Project Fund - Encumbered	03-10215	\$ 189,000.00
Depreciation Reserves	03-10310	\$ 5,714,673.09
Infrastructure Reserves	03-10311	\$ 3,452,940.00
Rate Stabilization Fund	03-10314	\$ 1,464,394.90
Operating Funds:		\$ 1,751,140.26
Total Wastewater Division		\$ 6,940,851.64

Recycled Water Division	GL#	Balance
*FCC - Recycled System	04-10410	\$ 37,466.43
*FCC - Booster Pumping Plants	04-10411	\$ 39,980.37
*FCC - Pipeline Facilities	04-10412	\$ 182,260.85
*FCC - Water Storage Reservoirs	04-10413	\$ 110,151.67
Project Fund - Encumbered	04-10215	\$ 200,000.00
Depreciation Reserves	04-10310	\$ 510,588.00
Infrastructure Reserves	04-10311	\$ 236,256.00
Operating Funds:		\$ 2,063,152.14
Total Recycled Water Division		\$ 3,379,855.46

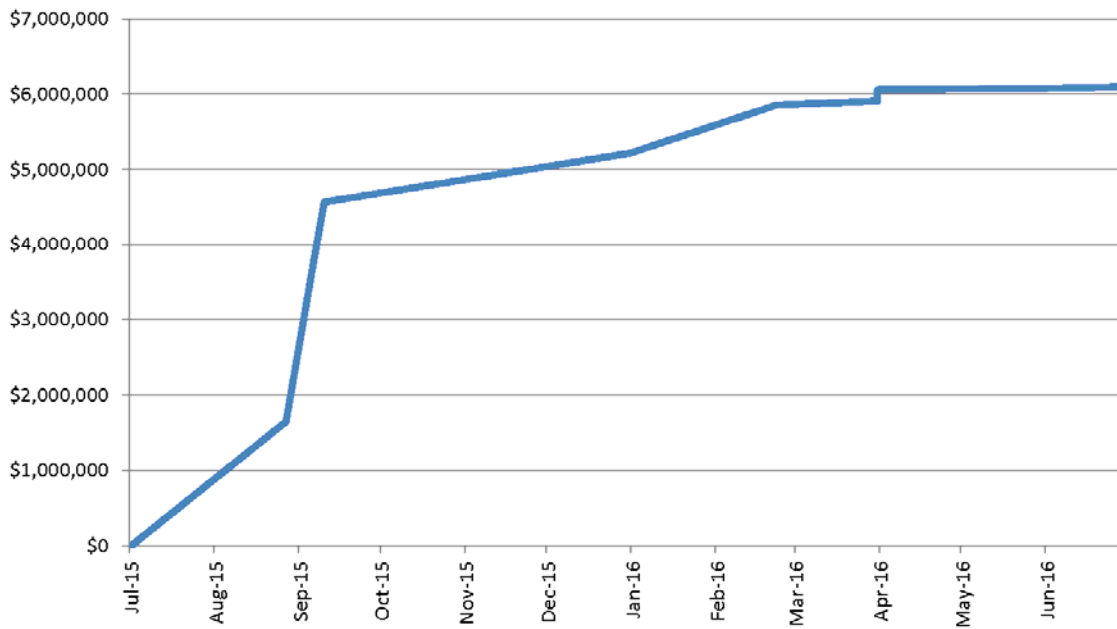
DISTRICT TOTAL \$ 18,331,333.27

*=Restricted Funds

Cash Fund Balance Report - October 2015

Pending Financial Obligations for Fiscal Year 2015/16				
Due Date	Fund	Description	Term of Obligation	Amount
08/27/2015	Water	2015A Bond Payment - YVRWFF	2015-2034	\$ 1,646,177.19
09/10/2015	Sewer	SRF Payment - WRWRF	2009-2028	\$ 2,923,688.75
12/31/2015	Sewer	SRF Payment - Yucaipa Regional Brineline	2013-2032	\$ 649,273.50
02/23/2016	Water	2015A Bond Payment - YVRWFF	2015-2034	\$ 640,556.25
03/31/2016	Sewer	SRF Payment - Recycled Reservoir R-10.3	2014-2033	\$ 54,277.31
03/31/2016	Sewer	SRF Payment - Desalinization at WRWRF	2014-2033	\$ 185,251.30
06/01/2016	Sewer	SBVMWD - Inland Empire Brineline Payment	2013-2016	\$ 20,000.00
06/30/2016	Sewer	SRF Payment - Crow Street/Recycled Booster B-12.1	Estimated	\$ 19,254.37
Total				\$ 6,138,478.67

**Payment Schedule and Cash Flow Requirements
for Fiscal Year 2015-2016**



Check Register - October 2015

<u>Check Date</u>	<u>Check Number</u>	<u>Name</u>	<u>Check Amount</u>
10/02/2015	24336	PAYROLL CHECK	1,970.26
10/02/2015	24337	CA-PERS Supplemental Income 45	15,610.36
10/02/2015	24338	WageWorks, Inc.	1,328.07
10/02/2015	24339	Public Employees' Retirement S	20,292.34
10/02/2015	24340	Hong Nelson	125.00
10/02/2015	24341	IBEW Local 1436	216.00
10/02/2015	24342	Rodd Greene	601.00
10/02/2015	24343	Alfred Ramirez	101.67
10/02/2015	24344	Standard Insurance Company	2,138.36
10/02/2015	24345	Western Dental Services, Inc.	302.27
10/02/2015	24346	Robert Hines	601.00
10/02/2015	24347	Anthem Blue Cross L and H	316.90
10/02/2015	24348	Standard Insurance Company	2,733.28
10/02/2015	24349	Aetna Health of California	57,086.00
10/02/2015	24350	Standard Insurance Vision Plan	558.80
10/02/2015	24351	MetLife Small Business Center	437.88
10/05/2015	24352	Ralph C. Casas	43.50
10/05/2015	24353	Ameripride Uniform Services	425.33
10/05/2015	24354	Redlands Employment Services	948.40
10/05/2015	24355	First American Data Tree, LLC	50.00
10/05/2015	24356	DDB Engineering Inc.	706.00
10/05/2015	24357	Eurofins Eaton Analytical, Inc	1,000.00
10/05/2015	24358	InfoSend, Inc.	5,244.53
10/05/2015	24359	Konica Minolta Business Soluti	1,688.66
10/05/2015	24360	NetComp Technologies, Inc.	5,589.14
10/05/2015	24361	Storm Western Development, Inc	2,769.04
10/05/2015	24362	The Gas Company	53.55
10/05/2015	24363	George F. Siddle	72.00
10/05/2015	24364	News Mirror Publishing, Inc.	287.40
10/05/2015	24365	Ampak Chemicals, Inc.	4,893.48
10/05/2015	24366	Crown Ace Hardware - Yucaipa	754.70
10/05/2015	24367	Dickson	2,373.00
10/05/2015	24368	Grainger	2,754.37
10/05/2015	24369	Alan L. Grubel Automotive Inc.	173.31
10/05/2015	24370	Hasa, Inc.	3,804.17
10/05/2015	24371	HD Supply Waterworks, Ltd.	11,041.23
10/05/2015	24372	Hemet Valley Tool & Supply	2,384.64
10/05/2015	24373	House Of Quality, Parts Plus	2,601.54
10/05/2015	24374	Hydro-Scape Products, Inc.	135.04
10/05/2015	24375	Inland Water Works Supply Co.	1,326.51
10/05/2015	24376	McMaster-Carr Supply Co.	182.55
10/05/2015	24377	Nuckles Oil Company, Inc.	2,013.97
10/05/2015	24378	Nagem, Inc.	1,136.54
10/05/2015	24379	Office Solutions Business Prod	19.83
10/05/2015	24380	Q Versa, LLC	3,707.96
10/05/2015	24381	ROW Traffic Safety, Inc.	4,278.96
10/05/2015	24382	Sonsray Machinery LLC	199.13
10/05/2015	24383	AWWA CA-NV (Rancho Cucamonga)	135.00
10/05/2015	24384	Todd Madrid	170.00
10/12/2015	24385	ADS, LLC	2,634.00
10/12/2015	24386	Ameripride Uniform Services	481.46
10/12/2015	24387	Redlands Employment Services	758.72
10/12/2015	24388	Beaumont Basin Watermaster	25,450.80
10/12/2015	24389	CA-ARB/PERP	575.00
10/12/2015	24390	Corelogic, Inc.	330.00

Check Register - October 2015

<u>Check Date</u>	<u>Check Number</u>	<u>Name</u>	<u>Check Amount</u>
10/12/2015	24391	Coverall North America, Inc.	1,021.00
10/12/2015	24392	Jean's Flower Basket	59.35
10/12/2015	24393	Lowe's Companies, Inc.	102.58
10/12/2015	24394	Riverside County Treasurer	222.38
10/12/2015	24395	SB CNTY-Treasurer-Tax	50.95
10/12/2015	24396	San Gorgonio Pass Water Agency	19,263.06
10/12/2015	24397	SCE Rosemead	10,519.92
10/12/2015	24398	Sims Welding & Supply Co., Inc	196.70
10/12/2015	24399	The Counseling Team Internatio	360.00
10/12/2015	24400	Underground Service Alert Of S	135.00
10/12/2015	24401	Allmax Software, Inc.	2,318.00
10/12/2015	24402	Armorcast Products Company	13,234.30
10/12/2015	24403	Bob Walker	351.65
10/12/2015	24404	Brithinee Electric	612.73
10/12/2015	24405	Cal's Auto Repair & Towing	125.00
10/12/2015	24406	Victor James Valenti	4,926.46
10/12/2015	24407	Cortech Engineering	5,232.59
10/12/2015	24408	Eurofins Eaton Analytical, Inc	3,500.00
10/12/2015	24409	Evans-Hydro Inc.	4,473.01
10/12/2015	24410	Evoqua Water Technologies LLC	918.60
10/12/2015	24411	G&G Environmental Compliance, I	4,489.09
10/12/2015	24412	Grainger	15.32
10/12/2015	24413	Inland Water Works Supply Co.	646.65
10/12/2015	24414	Innerline Engineering	1,450.00
10/12/2015	24415	JB Paving & Engineering, Inc.	11,944.00
10/12/2015	24416	Nuckles Oil Company, Inc.	1,854.33
10/12/2015	24417	Nagem, Inc.	1,520.35
10/12/2015	24418	NCL Of Wisconsin Inc	214.38
10/12/2015	24419	Office Solutions Business Prod	20.51
10/12/2015	24420	Petra Geotechnical Inc.	16,185.52
10/12/2015	24421	Q Versa, LLC	435.00
10/12/2015	24422	Sterling Water Technologies LL	17,601.79
10/12/2015	24423	Steven Enterprises, Inc	440.94
10/12/2015	24424	TRL Systems, Inc.	2,123.10
10/12/2015	24425	John Wrobel	86.39
10/16/2015	24426	PAYROLL CHECK	2,011.05
10/16/2015	24427	PAYROLL CHECK	672.67
10/16/2015	24428	CA-PERS Supplemental Income 45	17,519.10
10/16/2015	24429	WageWorks, Inc.	1,328.07
10/16/2015	24430	Public Employees' Retirement S	20,292.01
10/16/2015	24431	Hong Nelson	125.00
10/19/2015	24432	Aklufi & Wysocki	4,800.00
10/19/2015	24433	Borden Excavating, Inc.	384,037.50
10/19/2015	24434	Citizens Business Bank	21,650.00
10/19/2015	24435	Delta Partners, LLC	7,500.00
10/19/2015	24436	Harper & Associates Eng., Inc.	3,032.00
10/19/2015	24437	Krieger & Stewart	32,928.65
10/19/2015	24438	One Stop Landscape Supply Inc	22,771.50
10/19/2015	24439	Pascal & Ludwig Constructors I	411,349.00
10/19/2015	24440	Platinum Advisors, LLC	5,000.00
10/19/2015	24441	RMC Water and Environment	33,063.28
10/19/2015	24442	Sacramento Bank of Commerce	13,755.00
10/19/2015	24443	Separation Processes, Inc.	11,905.00
10/19/2015	24444	VTD, Vavrinek, Trine, Day & CO	8,000.00
10/19/2015	24445	PARTON, SUE	17.40

Check Register - October 2015

<u>Check Date</u>	<u>Check Number</u>	<u>Name</u>	<u>Check Amount</u>
10/19/2015	24446	UNDERWOOD, LINDA	2,413.27
10/19/2015	24447	HORSPOOL, RAYMOND P	92.66
10/19/2015	24448	SMITH, SANDRA	36.40
10/19/2015	24449	CORDEIRO, KEN	69.54
10/19/2015	24450	BECKER, RANDY	33.05
10/19/2015	24451	NASBRE, NABIL	37.86
10/19/2015	24452	ALL AMERICAN ASPHALT	11,952.54
10/19/2015	24453	PEREZ, STEFFANI	104.89
10/19/2015	24454	BAXTER, PATRICIA	64.93
10/19/2015	24455	HARTMAN, PAT	88.48
10/19/2015	24456	FOSTER, JOHN	15.57
10/19/2015	24457	YUCAIPA VALLEY REAL	27.84
10/19/2015	24458	Addiction Medicine Consultants	20.00
10/19/2015	24459	Ameripride Uniform Services	409.00
10/19/2015	24460	Redlands Employment Services	948.40
10/19/2015	24461	AT&T Mobility	1,539.84
10/19/2015	24462	Burgeson's Heating & Air Cond.	327.00
10/19/2015	24463	Central Communications	312.15
10/19/2015	24464	Fedex	53.90
10/19/2015	24465	MailFinance Inc.	338.34
10/19/2015	24466	Redlands Ford	101,606.66
10/19/2015	24467	Separation Processes, Inc.	1,836.00
10/19/2015	24468	Association of San Bernardino	69.00
10/19/2015	24469	Verizon	138.67
10/19/2015	24470	Vicki Bratlund	200.00
10/19/2015	24471	Air & Hose Source, Inc.	1,717.20
10/19/2015	24472	All American Sewer Tools	426.45
10/19/2015	24473	Aqua-Metric Sales Company	6,003.50
10/19/2015	24474	Auto Care Clinic	134.23
10/19/2015	24475	BofA Credit Card	1,897.77
10/19/2015	24476	Burgeson's Heating & Air Cond.	9,850.00
10/19/2015	24477	Calolympic Glove & Safety Co.,	64.94
10/19/2015	24478	Center Electric	14,792.90
10/19/2015	24479	Eurofins Eaton Analytical, Inc	1,600.00
10/19/2015	24480	Evoqua Water Technologies LLC	1,261.06
10/19/2015	24481	Grainger	33.66
10/19/2015	24482	Hach Company	773.91
10/19/2015	24483	Hasa, Inc.	3,806.00
10/19/2015	24484	HD Supply Waterworks, Ltd.	1,587.35
10/19/2015	24485	Inland Water Works Supply Co.	2,978.89
10/19/2015	24486	Innerline Engineering	2,900.00
10/19/2015	24487	MBC Applied Environmental Scie	1,300.00
10/19/2015	24488	Nuckles Oil Company, Inc.	1,941.96
10/19/2015	24489	Microflex Corp #774353	1,148.91
10/19/2015	24490	Nagem, Inc.	450.00
10/19/2015	24491	Office Solutions Business Prod	97.57
10/19/2015	24492	Pro-Pipe & Supply, Inc.	426.64
10/19/2015	24493	Q Versa, LLC	11,203.20
10/19/2015	24494	Smart & Final Stores, LLC	159.57
10/19/2015	24495	Kirk S. Cannon	1,743.00
10/26/2015	24496	Ralph C. Casas	58.00
10/26/2015	24497	Ameripride Uniform Services	415.70
10/26/2015	24498	Redlands Employment Services	948.40
10/26/2015	24499	Incode Division-Tyler Technolo	598.90
10/26/2015	24500	InfoSend, Inc.	3,464.52

Check Register - October 2015

<u>Check Date</u>	<u>Check Number</u>	<u>Name</u>	<u>Check Amount</u>
10/26/2015	24501	Krieger & Stewart	48,276.05
10/26/2015	24502	NetComp Technologies, Inc.	2,757.32
10/26/2015	24503	Praxair Inc.	25.80
10/26/2015	24504	Redlands Ford	50,803.33
10/26/2015	24505	State Water Resources Control	8,185.38
10/26/2015	24506	U.S. Telepacific Corp	3,870.91
10/26/2015	24507	Verizon	149.57
10/26/2015	24508	Yucaipa Disposal, Inc.	1,407.16
10/26/2015	24509	A-Z Bus Sales, Inc	22,493.92
10/26/2015	24510	Brithinee Electric	1,822.93
10/26/2015	24511	Jan Brinkman Jr.	680.40
10/26/2015	24512	Eurofins Eaton Analytical, Inc	5,000.00
10/26/2015	24513	Grainger	176.02
10/26/2015	24514	Jerry Herbert Roofing Inc.	4,725.00
10/26/2015	24515	Inland Water Works Supply Co.	1,485.00
10/26/2015	24516	Innerline Engineering	2,900.00
10/26/2015	24517	McCall's Meter Sales & Service	2,571.90
10/26/2015	24518	Office Solutions Business Prod	264.74
10/26/2015	24519	Pro-Pipe & Supply, Inc.	246.86
10/26/2015	24520	LENTZ, KAREN	1,500.00
10/26/2015	24521	Atkinson, Andelson, Loya, Ruud	245.00
10/26/2015	24522	State Water Resources Control	250.00
10/26/2015	24523	California Special Districts A	6,089.00
10/30/2015	24524	PAYROLL CHECK	1,972.22
10/30/2015	24525	CA-PERS Supplemental Income 45	13,096.33
10/30/2015	24526	WageWorks, Inc.	1,328.07
10/30/2015	24527	Public Employees' Retirement S	20,416.13
10/30/2015	24528	Sheriff's Court Services Centr	465.16
10/30/2015	24529	American Family Life Assurance	2,505.43
10/30/2015	24530	Boot Barn #4	378.60
10/30/2015	24531	Gregory N. Godwin	200.00
10/30/2015	24532	Workboot Warehouse	400.00
10/30/2015	24533	John Wrobel	340.25
10/30/2015	24534	WageWorks, Inc.	191.75
October 2015 Check Register Total			1,729,760.98

Financial Account Information - October 2015

DATE	DESCRIPTION	Deposit	General	Investment	Treasuries	LAIF	TOTAL
		Checking	Checking	Checking	at cost	Invest. Fund	ACTIVITY
09/30/2015	bal forward	1,496,935.59	30,000.00	30,114.90	501,567.04	16,103,970.94	18,162,588.47
9/30	rev retained in MM				(629.31)		(629.31)
10/01/2015	Deposit	28,620.03					28,620.03
	Credit Card-9/30	987.47					987.47
	Credit Card-10/1	2,219.15					2,219.15
	Electronic	16,691.01					16,691.01
	Website-10/1	4,418.41					4,418.41
	Website-10/2	238.44					238.44
	Website-10/2	1,023.64					1,023.64
10/02/15-PR	Federal Taxes		(43,970.09)				(43,970.09)
10/02/15-PR	State Taxes		(7,601.42)				(7,601.42)
10/02/15-PR	PR Direct Deposit		(102,242.80)				(102,242.80)
10/02/15-PR	VOYA 457		(7,213.64)				(7,213.64)
	Ck#24336-24351		(104,419.19)				(104,419.19)
	TRF#1373- AP & PR	(265,447.14)	265,447.14				0.00
10/02/2015	Deposit	53,854.48					53,854.48
	ETS Fees	(1,547.59)					(1,547.59)
	ETS Fees	(1,220.77)					(1,220.77)
	Credit Card-10/1	1,270.28					1,270.28
	Credit Card-10/2	3,332.70					3,332.70
	Electronic	29,027.27					29,027.27
	Website-10/2	3,497.12					3,497.12
	Website-10/3	70.02					70.02
	Website-10/3	2,132.50					2,132.50
	Website-10/4	184.19					184.19
	Website-10/4	1,894.55					1,894.55
	Website-10/5	173.11					173.11
	Website-10/5	557.21					557.21
10/05/2015	Deposit	131,481.68					131,481.68
	Credit Card-10/2	1,825.46					1,825.46
	Credit Card-10/5	2,762.03					2,762.03
	Electronic	25,188.61					25,188.61
	Website-10/5	4,633.95					4,633.95
	Website-10/6	95.05					95.05
	Website-10/6	798.95					798.95
	ACH pymts	46,941.69					46,941.69
10/06/2015	Deposit	15,527.48					15,527.48
	Credit Card-10/5	1,082.16					1,082.16
	Credit Card-10/6	3,098.14					3,098.14
	Electronic	27,354.56					27,354.56
	Website-10/6	2,115.49					2,115.49
	Website-10/7	66.80					66.80
	Website-10/7	1,072.50					1,072.50
10/07/2015	Deposit	61,496.86					61,496.86
	Credit Card-10/6	1,563.66					1,563.66
	Credit Card-10/7	4,667.15					4,667.15
	Electronic	14,699.81					14,699.81
	Website-10/7	3,294.21					3,294.21
	Website-10/8	110.12					110.12
	Website-10/8	369.74					369.74
	Ck#24352-24384		(62,963.48)				(62,963.48)
	TRF#1374 - AP	(62,963.48)	62,963.48				0.00

Financial Account Information - October 2015

DATE	DESCRIPTION	Deposit Checking	General Checking	Investment Checking	Treasuries at cost	LAIF Invest. Fund	TOTAL ACTIVITY
09/30/2015	bal forward	1,496,935.59	30,000.00	30,114.90	501,567.04	16,103,970.94	18,162,588.47
10/08/2015	Deposit	31,484.30					31,484.30
	Credit Card-10/7	1,149.16					1,149.16
	Credit Card-10/8	1,769.53					1,769.53
	Electronic	9,309.10					9,309.10
	Website-10/8	1,790.10					1,790.10
	Website-10/9	177.00					177.00
	Website-10/9	977.38					977.38
10/09/2015	Deposit	37,450.49					37,450.49
	Deposit - M/C	4,252.00					4,252.00
	Deposit - M/C	3,316.27					3,316.27
	Credit Card-10/8	207.80					207.80
	Credit Card-10/9	2,750.00					2,750.00
	Electronic	15,489.73					15,489.73
	Website-10/9	1,724.49					1,724.49
	Website-10/10	1,797.88					1,797.88
	Website-10/11	1,847.28					1,847.28
	Website-10/12	486.01					486.01
10/12/2015	Deposit	24,124.13					24,124.13
	Credit Card-10/9	455.10					455.10
	Credit Card-10/12	3,903.54					3,903.54
	Website-10/12	3,093.50					3,093.50
	Website-10/13	316.10					316.10
	Website-10/13	4,102.04					4,102.04
10/13/2015	Deposit	85,174.49					85,174.49
	Credit Card-10/12	1,107.25					1,107.25
	Credit Card-10/13	1,505.50					1,505.50
	Electronic	8,822.17					8,822.17
	Website-10/13	3,314.70					3,314.70
	Website-10/14	42.43					42.43
	Website-10/14	1,403.98					1,403.98
	ACH pmts	67,103.90					67,103.90
10/14/2015	Deposit	8,993.00					8,993.00
	Deposit - M/C	250.00					250.00
	Credit Card-10/13	467.79					467.79
	Credit Card-10/14	3,969.51					3,969.51
	Electronic	28,928.07					28,928.07
	Website-10/14	2,244.89					2,244.89
	Website-10/15	1,583.17					1,583.17
10/16/15-PR	Federal Taxes		(44,408.17)				(44,408.17)
10/16/15-PR	State Taxes		(7,352.15)				(7,352.15)
10/16/15-PR	PR Direct Deposit		(103,646.83)				(103,646.83)
10/16/15-PR	VOYA 457		(8,201.96)				(8,201.96)
	Ck#24385-24431		(198,828.53)				(198,828.53)
	TRF#1375- AP & PR	(362,437.64)	362,437.64				0.00
10/15/2015	Deposit	63,858.95					63,858.95
	Credit Card-10/14	2,144.88					2,144.88
	Credit Card-10/15	2,477.08					2,477.08
	Electronic	14,778.76					14,778.76
	Website-10/15	2,846.72					2,846.72
	Website-10/16	175.00					175.00
	Website-10/16	1,407.13					1,407.13
	ACH pmts	67,554.16					67,554.16
	ACH pmts	80.22					80.22
	Qtrly Analysis Fee			(12,645.74)			(12,645.74)

Financial Account Information - October 2015

DATE	DESCRIPTION	Deposit Checking	General Checking	Investment Checking	Treasuries at cost	LAIF Invest. Fund	TOTAL ACTIVITY
09/30/2015	bal forward	1,496,935.59	30,000.00	30,114.90	501,567.04	16,103,970.94	18,162,588.47
10/15	LAIF Quarterly interest					14,537.81	14,537.81
10/16/2015	Deposit	26,148.45					26,148.45
	Credit Card-10/15	544.08					544.08
	Credit Card-10/16	2,172.29					2,172.29
	Electronic	19,128.54					19,128.54
	Website-10/16	2,468.04					2,468.04
	Website-10/17	100.00					100.00
	Website-10/17	2,044.87					2,044.87
	Website-10/18	42.43					42.43
	Website-10/18	2,112.53					2,112.53
	Website-10/19	257.79					257.79
10/19/2015	Deposit	50,488.15					50,488.15
	Credit Card-10/16	810.13					810.13
	Credit Card-10/19	4,236.70					4,236.70
	Electronic	18,255.26					18,255.26
	Website-10/19	2,648.18					2,648.18
	Website-10/20	310.21					310.21
	Website-10/20	531.11					531.11
10/20/2015	Deposit	18,402.18					18,402.18
	Credit Card-10/19	1,488.69					1,488.69
	Credit Card-10/20	2,144.29					2,144.29
	Electronic	22,675.54					22,675.54
	Website-10/20	4,121.50					4,121.50
	Website-10/21	345.84					345.84
	Website-10/21	312.28					312.28
	ACH pmts	26,943.77					26,943.77
10/21/2015	Deposit	25,254.49					25,254.49
	Deposit - DR Horton	596,666.00					596,666.00
	Credit Card-10/20	1,156.24					1,156.24
	Credit Card-10/21	5,713.34					5,713.34
	Electronic	12,086.64					12,086.64
	Website-10/21	1,722.57					1,722.57
	Website-10/22	309.06					309.06
	Website-10/22	616.20					616.20
	Ck#24432-24495		(1,150,844.03)				(1,150,844.03)
	TRF#1376 -AP	(1,150,844.03)	1,150,844.03				0.00
10/22/2015	Deposit	29,612.15					29,612.15
	Deposit - M/C	382.40					382.40
	Deposit - M/C	7,098.92					7,098.92
	Credit Card-10/21	1,411.85					1,411.85
	Credit Card-10/22	2,385.07					2,385.07
	Electronic	7,979.51					7,979.51
	Website-10/22	1,934.24					1,934.24
	Website-10/23	221.28					221.28
	Website-10/23	660.87					660.87
10/23/2015	Deposit	26,355.53					26,355.53
	Credit Card-10/22	618.24					618.24
	Credit Card-10/23	2,592.54					2,592.54
	Electronic	17,696.30					17,696.30
	Website-10/23	3,368.86					3,368.86
	Website-10/24	2,526.71					2,526.71
	Website-10/25	1,878.25					1,878.25
	Website-10/26	267.51					267.51
	Website-10/26	773.85					773.85

Financial Account Information - October 2015

DATE	DESCRIPTION	Deposit Checking	General Checking	Investment Checking	Treasuries at cost	LAIF Invest. Fund	TOTAL ACTIVITY
09/30/2015	bal forward	1,496,935.59	30,000.00	30,114.90	501,567.04	16,103,970.94	18,162,588.47
10/26/2015	Deposit	72,031.11					72,031.11
	Credit Card-10/23	1,360.69					1,360.69
	Credit Card-10/26	2,864.69					2,864.69
	Electronic	15,550.51					15,550.51
	Website-10/26	1,942.92					1,942.92
	Website-10/27	203.99					203.99
	Website-10/27	791.30					791.30
	ACH pmts	78,024.86					78,024.86
	ACH pmts	1,846.75					1,846.75
10/27/2015	Deposit	8,905.69					8,905.69
	Credit Card-10/26	1,304.70					1,304.70
	Credit Card-10/27	1,589.88					1,589.88
	Electronic	19,590.71					19,590.71
	Website-10/27	3,781.52					3,781.52
	Website-10/28	123.43					123.43
	Website-10/28	578.36					578.36
10/28/2015	Deposit	30,014.30					30,014.30
	Deposit - Riv Tax	6,578.42					6,578.42
	Credit Card-10/27	1,237.89					1,237.89
	Credit Card-10/28	8,668.74					8,668.74
	Electronic	13,545.40					13,545.40
	Website-10/28	3,259.37					3,259.37
	Website-10/29	200.00					200.00
	Website-10/29	520.81					520.81
10/30/15-PR	Federal Taxes		(43,582.17)				(43,582.17)
10/30/15-PR	State Taxes		(7,451.67)				(7,451.67)
10/30/15-PR	PR Direct Deposit		(103,214.53)				(103,214.53)
10/30/15-PR	VOYA 457		(6,044.26)				(6,044.26)
	Ck#24496-24534		(212,705.75)				(212,705.75)
	TRF#1377- AP & PR	(372,998.38)	372,998.38				0.00
10/29/2015	Deposit	21,162.65					21,162.65
	Deposit - Land Eng	10,638.30					10,638.30
	Credit Card-10/28	1,584.86					1,584.86
	Credit Card-10/29	1,071.91					1,071.91
	Electronic	6,806.52					6,806.52
	Website-10/29	2,904.41					2,904.41
	Website-10/30	1,135.40					1,135.40
10/30/2015	Deposit	40,046.07					40,046.07
	Deposit - M/C	8,208.74					8,208.74
	Credit Card-10/29	901.11					901.11
	Credit Card-10/30	1,770.43					1,770.43
	Electronic	19,702.68					19,702.68
	Website-10/30	3,925.14					3,925.14
	Website-10/31	2,731.70					2,731.70
	Website-11/1	4,293.04					4,293.04
	Website-11/2	1,172.32					1,172.32
	October '15 NSF's	(925.40)					(925.40)
10/31	JE# 4834 - trf#1373 correction	(30.00)	30.00				0.00
10/31	retained in MM				329.32		329.32
							18,331,033.27
	TOTALS	1,663,758.31	30,030.00	17,469.16	501,267.05	16,118,508.75	18,331,033.27

Investment Summary - October 2015

U.S. TREASURIES

Quantity	Description	Cusip	Maturity Date	Yield	Cost of Purchase	Market Value
501,000	US Treasury Bill	912796GQ6	November 27, 2015	0.020%	500,937.73	500,994.99
501,000	Total Values				500,937.73	500,994.99

Money Market Account Activity-Beginning Balance	629.31
10/30/15 - Dividend/Interest	0.01
Income	0.01
Intra-Bank Transfers to/from Investment Checking	0.00
Fund Transfers	0.00
Cusip Maturity	0.00
Redemptions	0.00
Cusip Purchase	0.00
Purchases	0.00
 Ending Balance - Money Market	 629.32
 US Treasury Securities Investment Principal	 500,937.73
 Total Assets	 501,567.05

Investment Summary - October 2015

LOCAL AGENCY INVESTMENT FUND

PERIOD	TOTAL WITHDRAWAL AMOUNT	TOTAL DEPOSIT AMOUNT	ACCRUED INTEREST (QUARTERLY)	ENDING BALANCE
July 31, 2015	(\$525,000.00)	\$0.00	\$12,375.46	\$19,103,970.94
August 31, 2015	(\$3,000,000.00)	\$0.00	\$0.00	\$16,103,970.94
September 30, 2015	\$0.00	\$0.00	\$0.00	\$16,103,970.94
October 31, 2015	\$0.00	\$0.00	\$14,537.81	\$16,118,508.75
November 30, 2015	\$0.00	\$0.00	\$0.00	\$16,118,508.75
December 31, 2015	\$0.00	\$0.00	\$0.00	\$16,118,508.75
January 31, 2016	\$0.00	\$0.00	\$0.00	\$16,118,508.75
February 28, 2016	\$0.00	\$0.00	\$0.00	\$16,118,508.75
March 31, 2016	\$0.00	\$0.00	\$0.00	\$16,118,508.75
April 30, 2016	\$0.00	\$0.00	\$0.00	\$16,118,508.75
May 31, 2016	\$0.00	\$0.00	\$0.00	\$16,118,508.75
June 30, 2016	\$0.00	\$0.00	\$0.00	\$16,118,508.75

L.A.I.F. INCOME SUMMARY

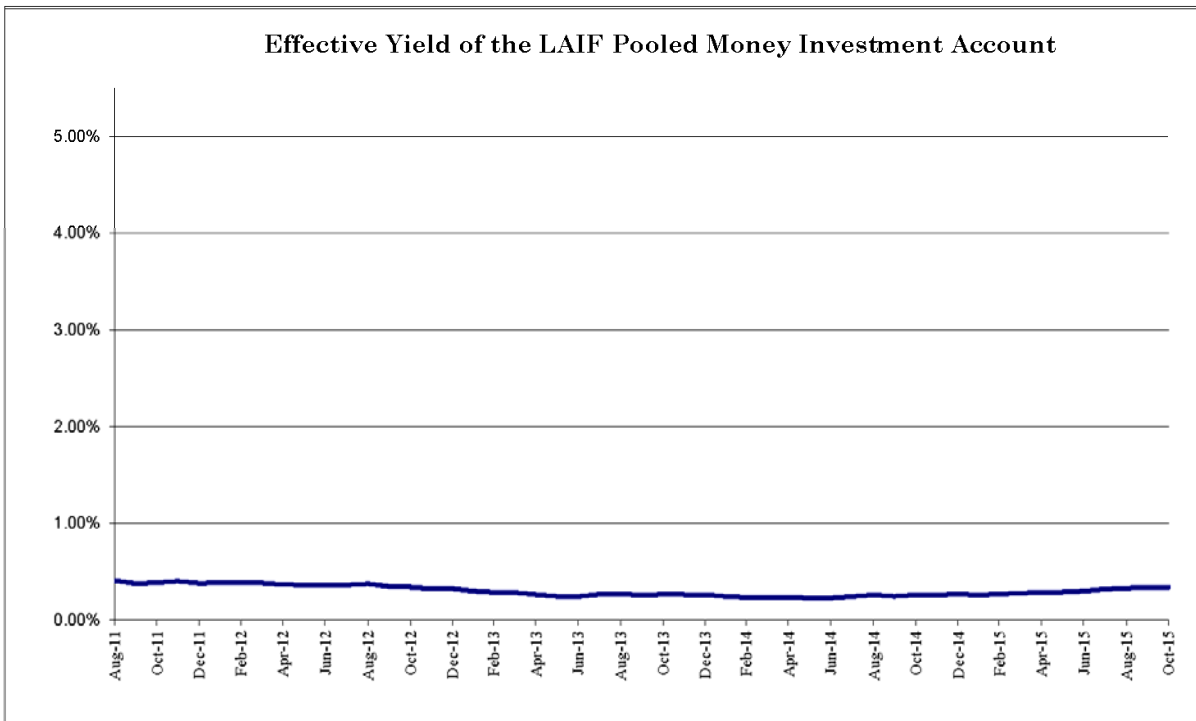
CURRENT QUARTER

FY YEAR-TO-DATE

INCOME RECEIVED

\$14,537.81

\$26,913.27



Monthly Revenue Allocation - October 2015

DATE	DESCRIPTION	QTY	DEPOSIT CHECKING DEPOSITS	AR Mail & Counter	AR Payment Centers	AR Credit Card	AR Electronic Rapid Pay	AR Web Site	AR ACH Auto Pay	AR TOTAL	AR Water Customer Deposits	Water Allocation	Sewer Allocation	Recycled Allocation	RECAP TOTAL
10/01/2015	Mail & Counter	263	28,620.03	28,620.03						28,620.03					28,620.03
	Credit Cards	24	3,206.62			3,206.62				3,206.62					3,206.62
	Electronic	175	16,691.01				16,691.01			16,691.01					16,691.01
	Website-54 fees	55	5,680.49					5,685.99		5,685.99	94.50				5,680.49
10/02/2015	Mail & Counter	304	53,854.48	53,854.48						53,854.48					53,854.48
	Credit Cards	43	4,602.98			4,602.98				4,602.98					4,602.98
	Electronic	290	29,027.27				29,027.27			29,027.27					29,027.27
	Website - 88 fees	89	8,508.70					8,354.70		8,354.70	154.00				8,508.70
10/05/2015	Mail & Counter	698	131,481.68	131,481.68						131,481.68					131,481.68
	Credit Cards	41	4,587.49			4,587.49				4,587.49					4,587.49
	Electronic	280	25,188.61				25,188.61			25,188.61					25,188.61
	Website	49	5,627.95					5,442.20		5,442.20	86.75				5,627.95
	ACH payment	470	46,941.69						46,941.69	46,941.69					46,941.69
10/06/2015	Mail & Counter	163	15,527.48	15,279.89						15,279.89		247.59			15,527.48
	Credit Cards	37	4,180.30			4,180.30				4,180.30					4,180.30
	Electronic	319	27,354.56				27,354.56			27,354.56					27,354.56
	Website - 28 fees	29	3,254.79					3,206.79		3,206.79	49.00				3,254.79
10/07/2015	Mail & Counter	374	61,496.86	61,396.86						61,396.86		100.00			61,496.86
	Credit Cards	48	6,230.81			6,230.81				6,230.81					6,230.81
	Electronic	162	14,699.81				14,699.81			14,699.81					14,699.81
	Website-34 fees	35	3,774.07					3,714.57		3,714.57	59.50				3,774.07
10/08/2015	Mail & Counter	138	31,484.30	31,484.30						31,484.30					31,484.30
	Credit Cards	26	2,918.69			2,918.69				2,918.69					2,918.69
	Electronic	113	9,309.10				9,309.10			9,309.10					9,309.10
	Website	33	2,844.48					2,866.73		2,866.73	57.75				2,944.48
10/09/2015	Mail & Counter	187	37,450.49	37,450.49						37,450.49					37,450.49
	Deposit - M/C	-	4,252.00							0.00		2,126.00			4,252.00
	Deposit - M/C	-	3,316.27							0.00		3,298.13		58.14	3,316.27
	Credit Cards	17	2,957.80			2,957.80				2,957.80					2,957.80
	Electronic	175	15,489.73				15,489.73			15,489.73					15,489.73
	Website	58	5,855.66					5,754.16		5,754.16	101.50				5,855.66
10/12/2015	Mail & Counter	236	24,124.13	24,124.13						24,124.13					24,124.13
	Credit Cards	38	4,358.64			4,358.64				4,358.64					4,358.64
	Website-33 fees	35	7,511.64					7,453.89		7,453.89	57.75				7,511.64
10/13/2015	Mail & Counter	274	85,174.49	83,674.49						83,674.49	1,500.00				85,174.49
	Credit Cards	21	2,612.75			2,612.75				2,612.75					2,612.75
	Electronic	101	8,822.17				8,822.17			8,822.17					8,822.17
	Website	41	4,761.11					4,689.36		4,689.36	71.75				4,761.11
	ACH payment	564	67,103.90						67,103.90	67,103.90					67,103.90
10/14/2015	Mail & Counter	90	8,993.00	8,908.00						8,908.00		85.00			8,993.00
	Deposit-M/C	-	250.00							0.00		250.00			250.00
	Credit Cards	34	4,437.30			4,437.30				4,437.30					4,437.30
	Electronic	295	28,928.07				28,928.07			28,928.07					28,928.07
	Website	29	3,828.06					3,777.31		3,777.31	50.75				3,828.06
10/15/2015	Mail & Counter	449	63,858.95	63,858.95						63,858.95					63,858.95
	Credit Cards	31	4,621.96			4,621.96				4,621.96					4,621.96
	Electronic	156	14,778.76				14,778.76			14,778.76					14,778.76
	Website-40 fees	44	4,428.85					4,358.85		4,358.85	70.00				4,428.85
	ACH payment	617	67,634.38						67,634.38	67,634.38					67,634.38

Monthly Revenue Allocation - October 2015

DATE	Description	Qty	DEPOSIT CHECKING DEPOSITS	AR Mail & Counter	AR Payment Centers	AR Credit Card	AR Electronic Rapid Pay	AR Web Site	AR ACH Auto Pay	AR TOTAL	AR Water Customer Deposits	Water Allocation	Sewer Allocation	Recycled Allocation	RECAP TOTAL
10/16/2015	Mail & Counter	191	26,148.45	26,148.45						26,148.45					26,148.45
	Credit Cards	27	2,716.37			2,716.37				2,716.37					2,716.37
	Electronic	220	19,128.54				19,128.54			19,128.54					19,128.54
	Website	75	7,025.66					6,894.41		6,894.41					7,025.66
10/19/2015	Mail & Counter	464	50,438.15	50,438.15						50,438.15		50.00			50,438.15
	Credit Cards	44	5,046.83			5,046.83				5,046.83					5,046.83
	Electronic	202	18,255.26				18,255.26			18,255.26					18,255.26
	Website	38	3,493.50					3,423.00		3,423.00					3,493.50
10/20/2015	Mail & Counter	110	18,402.18	18,352.18						18,352.18		50.00			18,402.18
	Credit Cards	39	3,632.98			3,632.98				3,632.98					3,632.98
	Electronic	251	22,675.54				22,675.54			22,675.54					22,675.54
	Website	43	4,779.62					4,704.37		4,704.37					4,779.62
	ACH Pymts	511	26,943.77						26,943.77	26,943.77					26,943.77
10/21/2015	Mail & Counter	259	25,254.49	25,254.49						25,254.49					25,254.49
	Deposit-DR Horton		596,666.00							0.00		373,083.00	223,583.00		596,666.00
	Credit Cards	60	6,869.58			6,869.58				6,869.58					6,869.58
	Electronic	132	12,086.64				12,086.64			12,086.64					12,086.64
	Website	25	2,647.83					2,604.08		2,604.08					2,647.83
10/22/2015	Mail & Counter	181	29,612.15	29,612.15						29,612.15					29,612.15
	Deposit-M/C	-	382.40							0.00		382.40			382.40
	Deposit-M/C	-	7,098.92							0.00		7,098.92			7,098.92
	Credit Cards	30	3,796.92			3,796.92				3,796.92					3,796.92
	Electronic	90	7,979.51				7,979.51			7,979.51					7,979.51
	Website	25	2,816.39					2,772.64		2,772.64					2,816.39
10/23/2015	Mail & Counter	171	26,305.53	26,305.53						26,305.53		50.00			26,355.53
	Credit Cards	31	3,210.78			3,210.78				3,210.78					3,210.78
	Electronic	187	17,696.30				17,696.30			17,696.30					17,696.30
	Website - 86 fees	88	8,815.18					8,664.68		8,664.68	150.50				8,815.18
10/26/2015	Mail & Counter	448	72,031.11	71,981.11						71,981.11		50.00			72,031.11
	Credit Cards	42	4,225.38			4,225.38				4,225.38					4,225.38
	Electronic	160	15,550.51				15,550.51			15,550.51					15,550.51
	Website	30	2,939.21					2,885.71		2,885.71					2,939.21
	ACH payments	579	79,871.61						79,871.61	79,871.61					79,871.61
10/27/2015	Mail & Counter	115	8,905.69	8,905.69						8,905.69					8,905.69
	Credit Cards	27	2,894.58			2,894.58				2,894.58					2,894.58
	Electronic	223	19,590.71				19,590.71			19,590.71					19,590.71
	Website	47	4,483.31					4,401.06		4,401.06					4,483.31
10/28/2015	Mail & Counter	254	30,014.30	28,514.30						28,514.30					30,014.30
	Deposit-Riv Tax		6,578.42							0.00		3,321.56			6,578.42
	Credit Cards	58	9,906.63			9,906.63				9,906.63					9,906.63
	Electronic	139	13,545.40				13,545.40			13,545.40					13,545.40
	Website-30 fees	31	3,980.18					3,927.68		3,927.68					3,980.18
10/29/2015	Mail & Counter	147	21,162.65	21,162.65						21,162.65					21,162.65
	Deposit-Land Eng		10,638.30							0.00		10,638.30			10,638.30
	Credit Cards	18	2,656.77			2,656.77				2,656.77					2,656.77
	Electronic	74	6,806.52				6,806.52			6,806.52					6,806.52
	Website-32 fees	33	4,039.81					3,983.81		3,983.81					4,039.81

Monthly Revenue Allocation - October 2015

DATE	Description	Qty	DEPOSIT CHECKING DEPOSITS	AR Mail & Counter	AR Payment Centers	AR Credit Card	AR Electronic Rapid Pay	AR Web Site	AR ACH Auto Pay	AR TOTAL	AR Water Customer Deposits	Water Allocation	Sewer Allocation	Recycled Allocation	RECAP TOTAL
10/30/2015	Mail & Counter	184	40,046.07	39,961.07						39,961.07		86.00			40,046.07
	Deposit/M/C		8,208.74							0.00		8,208.74			8,208.74
	Credit Cards	21	2,671.54			2,671.54				2,671.54					2,671.54
	Electronic	186	19,702.68				19,702.68			19,702.68					19,702.68
	Website-118 fees	121	12,122.20					11,915.70		11,915.70	206.50				12,122.20
Oct-15	Utility Prnt Cntr-277			(21,537.78)	21,537.78					0.00					0.00
	Oct '15 NSF's			(925.40)						0.00					0.00
	TOTALS	14,181	2,384,311.75	867,562.75	21,537.78	92,343.70	363,306.70	111,400.69	288,495.35	1,744,646.97	4,813.00	409,094.64	225,709.00	58.14	2,384,311.75

TOTAL # AR PAYMENTS 5,423
 PERCENT OF TOTAL RECEIVED 38.24%

14,181
 100%

FY 2016 - Water Revenue

ACCOUNT#	DESCRIPTION	BUDGET	July '15	Aug '15	Sept '15	Oct '15	Year to Date	Percentage YTD
02-40010	Sales - Water	6,165,000	135,209	451,047	522,845	496,099	1,605,199	26.04%
02-40011	Sales - Construction Water	20,000	110	1,622	793	1,116	3,641	18.20%
02-40012	Sales - Imported Water (SGPWA)	250,000	22,872	15,360	17,510	16,567	72,309	28.92%
02-40013	Sales - Imported Water (MUNI)	850,000	2,347	63,765	72,431	69,473	208,017	24.47%
02-40014	Sales Disc.-Multi Units Usage Chrg.	(130,000)	(2,401)	(8,631)	(11,032)	(10,054)	(32,118)	24.71%
02-40015	Water Wholesale Revenue	70,000	4,146	4,862	4,645	4,419	18,072	25.82%
02-40016	Service Establishment Fee	3,000	525	575	375	575	2,050	68.33%
02-41000	Service Demand Charges	3,000,000	54,947	254,450	254,935	255,502	819,834	27.33%
02-41001	Fire Service Standby Fees	25,000	771	2,261	2,154	2,578	7,764	31.05%
02-41003	Construction Service Charge	14,000	127	1,212	1,095	1,235	3,669	26.20%
02-41005	Sales Disc-Multi Units Service Chrg.	(120,000)	(2,549)	(11,376)	(11,376)	(11,376)	(36,679)	30.57%
02-41010	Unauthorized Use of Water Charge	2,000	0	0	0	0	0	0.00%
02-41110	Meter/Lateral Installation	35,000	7,875	7,550	5,625	8,625	29,675	84.79%
02-41112	Fire Flow Test Fees	3,500	225	300	375	375	1,275	36.43%
02-41113	Disconnect/Reconnect Fees	130,000	9,120	9,895	12,350	9,185	40,550	31.19%
02-41121	Penalty - Late Charges	150,000	7,218	13,053	11,833	10,053	42,157	28.10%
02-42123	Management & Accounting Fees	160,000	13,326	13,334	13,334	13,334	53,328	33.33%
02-41124	Bad Debt	(20,000)	0	0	0	0	0	0.00%
02-43010	Interest Earned	15,000	0	0	4,068	8,668	12,734	84.90%
02-43110	Property Tax - Unsecured	110,000	0	0	6,630	0	6,630	6.03%
02-43120	Property Tax - Secured	2,400,000	0	0	0	0	0	0.00%
02-43130	Tax Collection - Prior	15,000	0	0	0	3,330	3,330	22.20%
02-43140	Other Taxes	185,000	0	0	17	9	25	0.01%
02-49150	Revenue - Misc. Non-Operating	80,000	4,013	11,277	3,712	3,297	22,299	27.87%
	WATER OPERATING REVENUE	13,412,500	257,879	830,556	912,317	883,010	2,883,761	21.50%
	Grants	0					0	
02-89901	Facility Capacity Charges	0	283,038	172,099	202,170	309,994	967,301	
02-89902	Sustainability	0	19,373	42,935	13,209	49,749	125,266	
	TOTAL WATER REVENUE	13,412,500	560,290	1,045,590	1,127,696	1,242,753	3,976,329	

FY 2016 - Sewer Revenue

ACCOUNT#	DESCRIPTION	BUDGET	July '15	Aug '15	Sept '15	Oct '15	Year to Date	Percentage YTD
03-40016	Sales - Establish Service Fee	500	0	0	0	0	0	0.00%
03-41000	Sales - Sewer Charges	11,675,000	273,261	950,328	946,804	953,641	3,124,035	26.76%
03-41005	Sales Disc-Multi Units Service Chrg.	(200,000)	(5,440)	(18,294)	(18,295)	(18,246)	(60,276)	30.14%
03-41110	Meter/Lateral Installation	1,000	0	0	0	0	0	0.00%
03-41121	Penalty - Late Charges	150,000	8,583	10,361	11,760	9,484	40,187	26.79%
03-41124	Bad Debt	(20,000)	0	0	0	0	0	0.00%
03-42122	Revenue - Other Operating	2,000	360	105	0	0	465	23.25%
03-43010	Interest Earned	15,000	0	0	4,062	8,668	12,730	84.87%
03-43110	Property Tax - Unsecured	10,000	0	0	0	0	0	0.00%
03-43120	Property Tax - Secured	125,000	0	0	0	0	0	0.00%
03-43130	Tax Collection - Prior	10,000	0	0	0	0	0	0.00%
03-43140	Other Taxes	1,500	0	0	0	0	0	0.00%
03-49150	Misc. Non-Oper Revenue	50,000	0	1,875	0	0	1,875	3.75%
	SEWER OPERATING REVENUE	11,820,000	276,764	944,375	944,331	953,547	3,119,016	26.39%
	Grants	0	0	0	0	0	0	
03-89901	Facility Capacity Charges	0	172,641	184,377	123,315	189,083	669,416	
03-89903	Contrib Capital-Front Footage Fees	0	0	0	0	0	0	
03-89905	Contrib Capital-Infrastructure	0	0	0	0	34,500	34,500	
	TOTAL SEWER REVENUE	11,820,000	449,405	1,128,752	1,067,646	1,177,130	3,822,932	

FY 2016 - Recycled Revenue

ACCOUNT#	DESCRIPTION	BUDGET	July '15	Aug '15	Sept '15	Oct '15	Year to Date	Percentage YTD
04-40010	Sales - Recycled Water	450,000	19,891	42,017	46,193	41,986	150,087	33.35%
04-40011	Sales - Construction Water	10,000	104	347	818	472	1,742	17.42%
04-41000	Sales - Service Demand Chrg.	42,500	1,101	3,124	3,177	3,176	10,578	24.89%
04-41003	Const. Water Minimum Chrg.	5,000	21	214	193	221	649	12.97%
04-41110	Meter/Lateral installation	1,500	0	0	0	0	0	0.00%
04-41121	Penalty - Late Charges	500	15	10	229	39	293	58.59%
04-41122	Revenue - Other Operating	250	0	0	0	0	0	0.00%
04-43010	Interest Earned	8,000	0	0	0	1,454	1,454	18.17%
04-43110	Property Tax - Unsecured	1,000	0	0	0	0	0	0.00%
04-43120	Property Tax - Secured	15,000	0	0	0	0	0	0.00%
04-43130	Property Tax - Prior	1,000	0	0	0	0	0	0.00%
04-43140	Property Tax - Other	1,000	0	0	0	0	0	0.00%
04-49150	Misc. Non-Operating Revenue	1,500	0	0	0	0	0	0.00%
	RECYCLED OPERATING REVENUE	537,250	21,132	45,712	50,610	47,348	164,802	30.68%
	Grants	0					0	
04-89901	Facility Capacity Charges	0	0	0	5,800	0	5,800	
	TOTAL RECYCLED REVENUE	537,250	21,132	45,712	56,410	47,348	170,602	

FY 2016 - Water Expenses

ACCOUNT#	DESCRIPTION	BUDGET	July '15	Aug '15	Sept '15	Oct '15	Year to Date	Percentage YTD
02-5-01-50010	Labor-Water Resources	884,000	48,986	60,934	62,120	91,592	263,632	29.82%
02-5-01-50011	Labor Credit	0	0	0	0	0	0	0
02-5-01-50013	Benefits-Fica	63,000	4,012	4,997	5,113	7,517	21,640	34.35%
02-5-01-50014	Benefits-Life Insurance	3,200	302	259	284	286	1,131	35.34%
02-5-01-50016	Benefits-Health/Defrd Comp	145,000	13,501	14,476	15,028	15,223	58,229	40.16%
02-5-01-50017	Benefits-Disability Insurance	11,000	785	851	885	1,166	3,687	33.51%
02-5-01-50019	Benefits-Workers Compensation	42,000	3,995	3,995	0	3,500	11,489	27.36%
02-5-01-50021	Benefits-PERS	47,000	2,542	3,831	3,831	5,766	15,971	33.98%
02-5-01-50022	Benefits-PERS-Employer	100,000	2,773	4,091	4,091	6,136	17,090	17.09%
02-5-01-50023	Benefits-Uniforms	3,500	298	244	223	248	1,013	28.94%
02-5-01-50024	Benefits-Vacation & Sick Pay	7,500	595	595	388	892	2,469	32.91%
02-5-01-50025	Benefits-Boot Allowance	2,000	200	194	200	0	594	29.71%
02-5-01-51003	R&M - Structures	275,000	5,095	12,074	8,934	5,173	31,276	11.37%
02-5-01-51011	R&M - CLA Valves	10,000	0	0	0	0	0	0.00%
02-5-01-51140	General Supplies & Expenses	2,000	77	128	29	33	267	13.34%
02-5-01-51210	Utilities - Power Purchases	1,650,000	92,179	137,843	195,277	192,000	617,299	37.41%
02-5-01-51211	Utilities - Electricity & Fuel	5,000	268	154	777	700	1,899	37.98%
02-5-01-51316	Imported Water Purchases	1,100,000	84,857	85,692	91,153	91,000	352,701	32.06%
02-5-01-54019	Licenses & Permits	25,000	0	2,062	1,071	0	3,133	12.53%
02-5-01-54110	Laboratory Services	75,000	1,600	2,508	3,765	10,100	17,973	23.96%
02-5-01-57040	YVRWFF Operating Expense	600,000	70,841	44,298	51,038	25,319	191,496	31.92%
	WATER RESOURCE TOTALS	5,050,200	332,904	379,226	444,208	456,650	1,612,988	31.94%
02-5-03-50010	Labor-Public Works	1,042,800	33,636	54,528	53,200	74,970	216,333	20.75%
02-5-03-50011	Labor Credit	0	0	(1,076)	0	(2,524)	(3,600)	
02-5-03-50013	Benefits-Fica	92,000	2,770	4,471	4,368	6,193	17,802	19.35%
02-5-03-50014	Benefits-Life Insurance	7,000	372	372	372	372	1,490	21.28%
02-5-03-50016	Benefits-Health/Defrd Comp	300,000	18,302	21,374	21,311	21,469	82,456	27.49%
02-5-03-50017	Benefits-Disability Insurance	16,500	694	872	860	1,077	3,504	21.24%
02-5-03-50019	Benefits-Workers Compensation	45,000	3,995	3,995	0	3,900	11,889	26.42%
02-5-03-50021	Benefits-PERS	73,000	2,557	3,761	3,790	5,169	15,278	20.93%
02-5-03-50022	Benefits-PERS Employer	160,000	2,617	3,848	3,879	5,352	15,696	9.81%
02-5-03-50023	Benefits-Uniforms	6,000	364	221	223	242	1,050	17.50%
02-5-03-50024	Benefits-Vacation & Sick Pay	4,000	243	243	243	542	1,271	31.77%
02-5-03-50025	Benefits-Boot Allowance	3,500	0	330	0	779	1,109	31.68%
02-5-03-51001	R & M - Vehicles & Equipment	150,000	8,281	17,364	33,869	4,048	63,562	42.37%
02-5-03-51011	R&M - Valves	10,000	0	0	0	0	0	0.00%
02-5-03-51020	R&M - Pipelines	275,000	13,897	22,544	14,586	8,116	59,144	21.51%
02-5-03-51021	R&M - Service Lines	100,000	5,140	11,868	3,619	3,243	23,770	23.77%
02-5-03-51022	R&M - Fire Hydrants	25,000	990	303	0	(3,144)	(1,851)	-7.40%
02-5-03-51030	R&M - Water Meters	75,000	4,853	15,502	4,814	8,454	33,622	44.83%
02-5-03-51092	Equipment Credits	0	0	(417)	0	(1,071)	(1,487)	
02-5-03-51140	General Supplies & Expenses	1,000	115	0	0	0	115	11.53%
	PUBLIC WORKS TOTALS	2,385,800	98,827	160,104	145,036	137,186	541,154	22.68%

FY 2016 - Water Expenses

ACCOUNT#	DESCRIPTION	BUDGET	July '15	Aug '15	Sept '15	Oct '15	Year to Date	Percentage YTD
02-5-06-50010	Labor-Administration	705,000	33,424	49,321	48,728	71,937	203,410	28.85%
02-5-06-50011	Labor Credit	0	0	2,252	0	0	2,252	0
02-5-06-50012	Director Fees	19,000	0	1,474	1,742	2,144	5,361	28.21%
02-5-06-50013	Benefits-Fica	47,500	2,696	3,829	3,782	5,545	15,852	33.37%
02-5-06-50014	Benefits-Life Insurance	3,200	220	220	222	220	882	27.56%
02-5-06-50016	Benefits-Health/Defrd Comp	165,000	10,559	13,027	13,525	15,163	52,274	31.68%
02-5-06-50017	Benefits-Disability Insurance	7,500	467	580	579	655	2,280	30.41%
02-5-06-50019	Benefits-Workers Compensation	15,750	1,000	1,000	0	1,000	3,000	19.05%
02-5-06-50021	Benefits-PERS	40,286	2,269	3,337	3,337	5,006	13,950	34.63%
02-5-06-50022	Benefits PERS Employer	85,000	2,322	3,415	3,415	5,123	14,275	16.79%
02-5-06-50023	Uniforms	2,000	110	88	95	88	381	19.07%
02-5-06-50024	Benefits-Vacation & Sick Pay	10,000	843	1,184	982	1,534	4,542	45.42%
02-5-06-50025	Benefits-Boots	1,000	0	0	0	0	0	0.00%
02-5-06-51003	R&M - Structures	20,000	283	551	234	10,177	11,245	56.22%
02-5-06-51091	Expense Credits (overhead)	0	0	(236)	0	(1,207)	(1,443)	
02-5-06-51120	Safety Equipment/Supplies	25,000	218	135	6,315	1,214	7,882	31.53%
02-5-06-51125	Petroleum Products	125,000	4,642	12,208	6,760	2,796	26,405	21.12%
02-5-06-51130	Office Supplies & Expenses	30,000	2,366	3,084	2,131	613	8,194	27.31%
02-5-06-51140	General Supplies & Expenses	30,000	799	308	1,135	6,660	8,902	29.67%
02-5-06-51199	Disaster Incidences	0	0	0	0	0	0	0
02-5-06-51211	Utilities - Electricity	28,000	2,282	39	6,869	6,800	15,990	57.11%
02-5-06-51213	Utilities - Natural Gas	3,000	28	26	29	30	113	3.77%
02-5-06-54002	Dues & Subscriptions	10,000	1,182	0	164	3,045	4,390	43.90%
02-5-06-54005	Computer Expenses	65,000	3,902	7,645	5,157	1,604	18,308	28.17%
02-5-06-54010	Postage	6,000	71	2,284	118	54	2,526	42.11%
02-5-06-54011	Printing & Publications	7,500	268	178	0	0	446	5.95%
02-5-06-54012	Education & Training	15,000	1,164	158	433	0	1,754	11.70%
02-5-06-54013	Utility Billing Expenses	180,000	12,045	11,723	12,175	11,583	47,526	26.40%
02-5-06-54014	Public Relations	9,000	25,371	8,457	7,056	2,906	43,790	486.55%
02-5-06-54016	Travel Related Expenses	10,000	207	188	15	115	526	5.26%
02-5-06-54017	Certifications & Renewals	6,000	140	245	345	215	945	15.74%
02-5-06-54020	Meeting Related Expenses	6,000	89	219	358	78	745	12.41%
02-5-06-54024	Utilities - Waste Disposal	2,750	177	177	177	177	707	25.70%
02-5-06-54025	Utilities - Telephone	42,000	3,453	3,329	3,336	2,341	12,458	29.66%
02-5-06-54099	Conservation & Rebates	0	(8,250)	(64)	183	(17)	(8,148)	
02-5-06-54104	Contractual Services	65,000	17,192	3,207	6,885	5,741	33,025	50.81%
02-5-06-54107	Legal	45,000	1,913	3,225	3,385	3,500	12,023	26.72%
02-5-06-54108	Audit & Accounting	16,000	4,725	3,600	0	1,000	9,325	58.28%
02-5-06-54109	Professional Fees	150,000	21,277	7,494	9,888	2,500	41,160	27.44%
02-5-06-55500	Depreciation Reserves	200,000	16,663	16,667	16,667	16,667	66,664	33.33%
02-5-06-56001	Infrastructure Replacement	1,265,000	105,417	105,416	105,416	105,416	421,665	33.33%
02-5-06-57030	Insurance	105,000	8,325	8,328	8,328	8,328	33,309	31.72%
02-5-06-57090	Regulatory Compliance	55,000	4	2,458	100	263	2,824	5.13%
02-5-06-57096	Election Related Expenses	0	0	0	0	0	0	0
02-5-06-57096	Beaumont Basin Watermaster	60,000	0	0	0	25,451	25,451	42.42%
02-5-06-57199	Suspense	0	0	0	0	0	0	0
	ADMINISTRATION TOTALS	3,682,486	279,862	280,774	280,065	326,462	1,167,163	31.69%

FY 2016 - Water Expenses

ACCOUNT#	DESCRIPTION	BUDGET	July '15	Aug '15	Sept '15	Oct '15	Year to Date	Percentage YTD
02-5-40-57201	Debt Srv-Series 2015A Princ.(25009)	980,000	0	980,000	0	0	980,000	100.00%
02-5-40-57402	Interest-Long-Term Debt Bonds	1,314,014	0	673,457	0	0	673,457	51.25%
	40 - Debt	2,294,014	0	1,653,457	0	0	1,653,457	72.08%
02-5-40-57001	Asset Acq. - Water Resources	0	0	0	0	0	0	--
02-5-40-57003	Asset Acq. - Public works	0	0	0	0	0	0	--
02-5-40-57006	Asset Acq. - Administration	0	0	0	0	0	0	--
	40 - Capital Outlay	0	0	0	0	0	0	--
							4,974,762	
	TOTAL WATER EXPENSES	13,412,500	711,594	2,473,562	869,309	920,298	4,974,762	37.09%

FY 2016 - Sewer Expenses

ACCOUNT#	DESCRIPTION	BUDGET	July '15	Aug '15	Sept '15	Oct '15	Year to Date	Percentage YTD
03-5-02-50010	Labor-S Treatment	985,300	36,805	60,938	60,831	91,656	250,229	25.40%
03-5-02-50013	Benefits-Fica	75,000	2,994	4,961	4,988	7,482	20,425	27.23%
03-5-02-50014	Benefits-Life Insurance	5,000	356	277	310	310	1,252	25.03%
03-5-02-50016	Benefits-Health/Defrd Comp	200,000	14,455	16,255	16,826	17,176	64,712	32.36%
03-5-02-50017	Benefits-Disability Insurance	15,000	705	868	900	1,189	3,661	24.41%
03-5-02-50019	Benefits-Workers Compensation	45,000	3,995	3,995	0	3,900	11,889	26.42%
03-5-02-50021	Benefits-PERS	60,000	2,784	3,935	3,935	5,921	16,576	27.63%
03-5-02-50022	Benefits-PERS Employer	130,000	3,089	4,197	4,197	6,295	17,778	13.68%
03-5-02-50023	Benefits-Uniforms	4,500	479	278	211	243	1,211	26.92%
03-5-02-50024	Benefits-Vacation & Sick Pay	5,000	323	323	252	484	1,381	27.62%
03-5-02-50025	Benefits-Boot Allowance	2,400	200	314	200	200	914	38.07%
03-5-02-51003	R&M - Structures	225,000	45,310	57,002	16,375	8,524	127,211	56.54%
03-5-02-51010	R&M - Automation Control	65,000	0	3,298	0	5,361	8,659	13.32%
03-5-02-51106	Chemicals	490,000	30,010	19,314	32,069	30,000	111,393	22.73%
03-5-02-51111	Propane	5,000	0	2,357	0	0	2,357	47.14%
03-5-02-51115	Laboratory Supplies	30,000	2,776	1,407	4,673	774	9,630	32.10%
03-5-02-51140	General Supplies & Expenses	1,000	0	22	66	0	88	8.80%
03-5-02-51210	Utilities - Power Purchases	830,000	66,332	97,886	102,045	102,000	368,263	44.37%
03-5-02-54110	Laboratory Services	115,000	512	8,988	3,857	1,469	14,826	12.89%
03-5-02-57031	Sludge Disposal	300,000	22,069	23,758	22,772	23,000	91,598	30.53%
03-5-02-57034	Brine Operating Expenses	201,616	27	35	72	1,202	1,336	0.66%
	TREATMENT TOTALS	3,789,816	233,218	310,405	274,578	307,185	1,125,387	29.70%

FY 2016 Sewer Expenses

ACCOUNT#	DESCRIPTION	BUDGET	July '15	Aug '15	Sept '15	Oct '15	Year to Date	Percentage YTD
03-5-06-50010	Labor-Administration	660,000	29,938	45,835	45,242	66,708	187,724	28.44%
03-5-06-50011	Labor Credit	0	0	2,252	0	0	2,252	
03-5-06-50012	Directors Fees	19,000	0	1,474	1,742	2,144	5,361	28.21%
03-5-06-50013	Benefits-Fica	43,000	2,399	3,532	3,485	5,101	14,517	33.76%
03-5-06-50014	Benefits-Life Insurance	3,600	217	217	217	217	866	24.06%
03-5-06-50016	Benefits-Health/Defrd Comp	145,000	9,454	11,974	12,472	13,925	47,824	32.98%
03-5-06-50017	Benefits-Disability Insurance	7,500	416	545	543	608	2,112	28.16%
03-5-06-50019	Benefits-Workers Compensation	27,500	1,000	1,000	0	1,000	3,000	10.91%
03-5-06-50021	Benefits-PERS	36,000	2,103	3,093	3,093	4,640	12,930	35.92%
03-5-06-50022	Benefits PERS Employer	75,000	2,152	3,165	3,165	4,748	13,231	17.64%
03-5-06-50023	Benefits-Uniforms	2,000	79	63	63	68	273	13.64%
03-5-06-50024	Benefits-Vacation & Sick Pay	10,000	843	1,184	982	1,534	4,543	45.43%
03-5-06-50025	Benefits-Boot Allowance	1,740	0	0	0	0	0	0.00%
03-5-06-51120	Safety Equipment/Supplies	10,000	1,577	0	130	0	1,706	17.06%
03-5-06-51125	Petroleum Products	22,500	1,111	1,000	2,510	1,000	5,621	24.98%
03-5-06-51130	Office Supplies	4,000	1,889	21	372	211	2,493	62.33%
03-5-06-51140	General Supplies & Expenses	17,500	313	362	176	6,387	7,238	41.36%
03-5-06-51199	Disaster Repairs (lift station 2)	0	0	15,262	18,381	0	33,643	
03-5-06-54002	Dues & Subscriptions	10,000	422	654	164	3,045	4,284	42.84%
03-5-06-54003	Management & Admin Services	160,000	13,326	13,334	13,334	13,334	53,328	33.33%
03-5-06-54005	Computer Expenses	95,000	6,052	6,114	8,196	2,046	22,409	23.59%
03-5-06-54011	Printing & Publications	1,500	235	178	0	0	413	27.53%
03-5-06-54012	Education & Training	7,000	158	443	317	0	917	13.10%
03-5-06-54014	Public Relations	7,500	467	0	0	0	467	6.23%
03-5-06-54016	Travel Related Expenses	5,000	174	791	252	442	1,659	33.18%
03-5-06-54017	Certifications & Renewals	5,000	136	270	0	340	746	14.92%
03-5-06-54019	Licenses & Permits	50,000	0	0	10,929	0	10,929	21.86%
03-5-06-54020	Meeting Related Expenses	5,000	91	88	359	99	637	12.74%
03-5-06-54024	Utilities - Waste Disposal	12,500	1,054	1,054	1,054	1,054	4,215	33.72%
03-5-06-54025	Utilities - Telephone	20,000	1,395	1,318	1,320	928	4,960	24.80%
03-5-06-54030	Drinking Water	1,000	65	109	123	58	355	35.53%
03-5-06-54104	Contractual Services	30,000	11,019	992	4,241	1,348	17,599	58.66%
03-5-06-54107	Legal	45,000	1,050	1,425	1,285	1,200	4,960	11.02%
03-5-06-54108	Audit & Accounting	16,000	4,725	3,600	0	1,000	9,325	58.28%
03-5-06-54109	Professional Fees	150,000	13,794	18,741	11,195	4,500	48,230	32.15%
03-5-06-55500	Depreciation Reserves	500,000	41,663	41,667	41,667	41,667	166,664	33.33%
	Infrastructure Replacement	800,000	66,667	66,670	66,670	66,670	266,677	33.33%
03-5-06-56001	Insurance	105,000	8,325	8,328	8,328	8,328	33,309	31.72%
03-5-06-57030	Regulatory Compliance	42,000	1,000	790	0	0	1,790	4.26%
	ADMINISTRATION TOTALS	3,151,840	225,307	257,545	262,006	254,348	999,206	31.70%

FY 2016 - Sewer Expenses

ACCOUNT#	DESCRIPTION	BUDGET	July '15	Aug '15	Sept '15	Oct '15	Year to Date	Percentage YTD
03-5-07-50010	Labor-Environmental Control	310,000	18,519	30,843	33,094	43,991	126,447	40.79%
03-5-07-50011	Labor Credit	0	0	(310)	0	0	(310)	
03-5-07-50013	Benefits-Fica	28,000	1,461	2,423	2,598	3,498	9,980	35.64%
03-5-07-50014	Benefits-Life Insurance	2,000	142	142	142	142	568	28.42%
03-5-07-50016	Benefits-Health\Defrd Comp	75,000	8,397	8,978	8,978	9,851	36,203	48.27%
03-5-07-50017	Benefits-Disability Insurance	4,500	308	423	444	561	1,736	38.59%
03-5-07-50019	Benefits-Workers Compensation	30,000	1,197	1,197	0	1,200	3,594	11.98%
03-5-07-50021	Benefits-PERS	20,000	1,210	1,780	1,832	2,749	7,572	37.86%
03-5-07-50022	Benefits-PERS Employer	45,000	1,239	1,821	1,875	2,813	7,748	17.22%
03-5-07-50023	Benefits-Uniforms	2,000	107	130	84	84	404	20.22%
03-5-07-50024	Benefits-Vacation & Sick Pay	2,000	140	154	169	253	716	35.81%
03-5-07-50025	Benefits-Boot Allowance	800	157	0	0	0	157	19.62%
03-5-07-51003	R&M - Structures	270,000	11,106	10,057	9,878	14,610	45,651	16.91%
03-5-07-51140	General Supplies & Expenses	1,000	0	0	34	86	121	12.09%
03-5-07-51241	Lift Station #1	85,000	4,725	7,866	5,120	543	18,254	21.48%
03-5-07-51242	Lift Station #2	15,000	960	226	3,688	1,466	6,340	42.27%
03-5-07-51243	Lift Station #3	5,000	203	0	577	871	1,651	33.02%
03-5-07-51244	Lift Station #4	20,000	6,265	33	1,402	0	7,700	38.50%
03-5-07-51248	Lift Station #8	3,000	39	0	106	0	145	4.83%
03-5-07-54109	Professional Fees	60,000	0	4,071	2,590	3,287	9,948	16.58%
03-5-07-54110	Laboratory Services	4,000	0	0	0	0	0	0.00%
	ENVIRONMENTAL CONTROL TOTAL	982,300	56,176	69,836	72,611	86,005	284,628	28.98%
03-5-40-57202	Debt Service - Principal - WRWRF	2,097,629	0	0	2,097,629	0	2,097,629	100.00%
03-5-40-57203	Debt Service - Principal - Brineline	401,939	0	0	0	0	0	0.00%
03-5-40-57204	Debt Service - Principal - WISE	125,600	0	0	0	0	0	0.00%
03-5-40-57205	Debt Service - Principal - R 10.3	36,663	0	0	0	0	0	0.00%
03-5-40-57206	Debt Service - Principal - Crow & B12-1	18,357	0	0	0	0	0	0.00%
03-5-40-57403	Debt Service - Interest	1,215,856	0	0	826,039	0	826,039	67.94%
	40 - Debt	3,896,044	0	0	2,923,669	0	2,923,669	75.04%
03-5-40-57002	Asset Acq. - Treatment	0	0	0	0	0	0	
03-5-40-57006	Asset Acq. - Administration	0	0	0	0	0	0	
03-5-40-57007	Asset Acq. - Environmental Control	0	0	0	0	0	0	
	40 - Capital Outlay	0	0	0	0	0	0	
	TOTAL SEWER EXPENSES	11,820,000	514,702	637,786	3,532,864	647,538	5,332,890	45.12%

FY 2016 - Recycled Expenses

ACCOUNT#	DESCRIPTION	BUDGET	July '15	Aug '15	Sept '15	Oct '15	Year to Date	Percentage YTD
04-5-06-50010	Labor-Recycled Water	226,630	15,010	15,240	15,224	21,977	67,451	29.76%
04-5-06-50012	Director Fees	2,500	0	0	0	0	0	0.00%
04-5-06-50013	Benefits-FICA	5,000	1,253	1,183	1,173	1,895	5,304	106.08%
04-5-06-50014	Benefits-Life Insurance	250	(2)	(2)	(2)	(2)	(8)	-3.16%
04-5-06-50016	Benefits-Health & Def Comp	15,000	2,084	2,136	2,136	2,813	9,169	61.12%
04-5-06-50017	Benefits-Disability Insurance	500	137	136	136	179	588	117.68%
04-5-06-50019	Benefits-Workers Compensation	3,000	197	197	0	0	394	13.12%
04-5-06-50021	Benefits-PERS Employee	2,200	83	122	122	183	510	23.19%
04-5-06-50022	Benefits-PERS Employer	5,000	85	125	125	187	522	10.44%
04-5-06-50023	Benefits-Uniforms	200	30	88	60	60	238	118.79%
04-5-06-50024	Benefits-Vacation & Sick Pay	500	27	27	27	60	141	28.25%
04-5-06-50025	Benefits-Boots	250	0	0	0	0	0	0.00%
04-5-06-51003	R & M-Structures	50,000	2,826	42	508	383	3,760	7.52%
04-5-06-51020	R & M-Pipelines	7,500	0	0	0	0	0	0.00%
04-5-06-51021	R & M-Service Lines	15,000	17	549	135	0	701	4.67%
04-5-06-51022	R & M-Fire Hydrants	5,000	0	0	0	0	0	0.00%
04-5-06-51030	R & M-Meters	1,500	0	2,639	3,062	0	5,701	380.07%
04-5-06-51140	General Supplies & Expenses	250	58	0	0	0	58	23.00%
04-5-06-51210	Utilities-Power Purchases	77,720	10	288	288	288	874	1.12%
04-5-06-54002	Dues & Subscriptions	4,000	40	0	0	0	40	1.00%
04-5-06-54005	Computer Expense	5,000	165	53	137	434	789	15.78%
04-5-06-54011	Printing & Publications	1,000	33	89	0	0	122	12.25%
04-5-06-54012	Education & Training	3,500	35	35	115	0	185	5.28%
04-5-06-54014	Public Relations	3,500	104	0	0	0	104	2.97%
04-5-06-54016	Travel Related Expenses	2,000	0	0	0	0	0	0.00%
04-5-06-54017	Certifications & Renewals	250	0	0	0	0	0	0.00%
04-5-06-54019	Licenses & Permits	2,500	0	0	0	8,185	8,185	327.42%
04-5-06-54020	Meeting Related Expenses	250	0	0	30	0	30	12.00%
04-5-06-54025	Telephone	750	139	139	140	0	419	55.81%
04-5-06-54010	Contractual Services	1,500	2,025	19	674	0	2,718	181.18%
04-5-06-54107	Legal	1,000	225	188	375	0	788	78.75%
04-5-06-54108	Audit & Accounting	0	1,050	800	0	0	1,850	
04-5-06-54109	Professional Fees	25,000	13,529	6,498	770	1,000	21,797	87.19%
04-5-06-54110	Laboratory Services	1,000	0	0	0	0	0	0.00%
04-5-06-55500	Depreciation	8,000	630	670	670	670	2,640	33.00%
	Infrastructure Replacement	25,000	2,083	2,083	2,083	2,083	8,332	33.33%
04-5-06-57030	Regulatory Compliance	25,000	19	8	0	0	27	0.11%
04-5-06-57040	Environmental Compliance	10,000	0	0	0	0	0	0.00%
	TOTAL RECYCLED EXPENSES	537,250	41,892	33,352	27,988	40,196	143,428	26.70%



Date: November 10, 2015

Subject: Discussion Regarding the Increased Implementation and Distribution of Weather-Based Wi-Fi Irrigation Controllers for Residential Water Customers of the Yucaipa Valley Water District

On May 6, 2015, the Board of Directors authorized the District staff to (1) implement the necessary policies, procedures and priorities to distribute weather-based irrigation controllers for residential water customers pursuant to the State Water Resources Control Board Emergency Regulations and related Executive Orders by Governor Brown; (2) contract with Skydrop for the purchase of irrigation controllers and related equipment for a sum not to exceed \$250,000; (3) provide regular updates on the status of this conservation program; and (4) authorize the General Manager to amend or terminate the implementation of this program at any time.

The District has relied upon a report issued by the California Urban Water Conservation Council to help with the implementation of water conservation program implementation suggestions and estimated water savings from turf-based water conservation programs. The report offered qualitative and quantitative context for turf-removal programs, described the challenges of program implementation and provided guidance to optimize program outcomes.

Turf-based landscape programs involve two steps: turf removal and turf replacement. The results of this type of water conservation program are highly variable based on customers' aesthetic desires, location, financial ability, and the availability of landscape materials. As public agencies continue to fund and implement turf removal programs during the drought, it is important to continue to review and evaluate the success of these programs to ensure policies are implemented in a manner that protect the funds ratepayers entrust with governmental agencies and achieve long-term water conservation goals.

The Yucaipa Valley Water District implemented a multi-prong approach to achieve a 36% water conservation goal set by the State Water Resources Control Board. While we continuously review all programs, we have identified that the use of Wi-Fi based irrigation controllers for residential

A stylized tree graphic with a brown trunk and green leaves, positioned behind the title text.

Turf Removal & Replacement: Lessons Learned

March, 2015
Author: Briana Seapy



California
Urban Water
Conservation
Council

water customers has the ability to quickly reduce our drinking water demands and provide a long-term water reduction throughout the community.

At the board workshop on April 28, 2015, the District staff demonstrated the use of a Wi-Fi based irrigation controller developed by Skydrop. The Skydrop irrigation controller uses a home Wi-Fi system to provide localized weather data to control the amount of water used for outdoor irrigation. This type of device is useful for our climate in the foothills of the San Bernardino National Forest since we commonly experience rainstorms with a daytime temperatures in the 50's followed by warm weather in the 80's. This technology automatically adjusts irrigation sprinklers to reduce the amount of water used when it is not needed based on weather conditions, soil type, sprinkler type and even landscaped slopes.

During this agenda item, the District staff will present a renewed implementation plan to facilitate the distribution of the irrigation controllers to residential customers to achieve an increased goal of 2,500 units installed in our community. This program is superior to limiting watering days during drought conditions, since the program will result in long-term water savings instead of temporary odd/even watering frequencies.

Additionally, the District staff will be proposing the adoption of a resolution to support the installation of the Skydrop irrigation controller in each new home constructed in our service area.

Skydrop earns the coveted EPA WaterSense certification

Posted on March 17, 2015



Skydrop is proud to announce their partnership with the U.S. Environmental Protection Agency's WaterSense program. The WaterSense certification means that the skydrop smart watering sprinkler controller is at least 20% more water efficient than other controllers and provides measurable water savings results. Helping users reduce water consumption is our driving purpose at skydrop.

In addition to water savings, the WaterSense certification enables users to redeem valuable municipal rebates on the skydrop sprinkler controller. Depending on your area, you may be able to save 50% or more on the purchase of a skydrop sprinkler controller.



Smart Sprinkler Controller

If you are frustrated with your current controller, tired of fighting with outdated user interfaces and confusing programming menus, the Skydrop WiFi controller will revolutionize the way you approach your home and garden irrigation.

Skydrop is more intelligent than other so-called "smart-controllers"; doing more than simply turning sprinkler zones on-and-off at programmed times the way most controllers do, built from the ground up to be an all-in-one solution for all your irrigation and conservation needs.



Not only is the Skydrop WiFi Smart controller the smartest piece of technology in your yard, it's also the most attractive! The contemporary design incorporates modern aesthetics with practical functionality. Skydrop's alloy metal wheel is actually the controller's input interface, making programming the device slick and intuitive to operate. Skydrop's ultra-smooth motion of the wheel gliding underhand feels great reflecting the solid build quality and thoughtful design.

If you already have a sprinkler controller the Skydrop is a cinch to swap out. Anyone with a screwdriver and 30-minutes can have a Skydrop up and running in their yard, saving them time and money immediately.

WHAT'S IN THE BOX?

- Skydrop smart sprinkler controller with 4.3" LCD screen
- Wall Plate featuring tool free wiring
- Installation Guide
- 24 VAC power supply
- Mounting screws for wood / drywall

FEATURES & BENEFITS

- 8 Station Smart Controller plus Master Valve / Pump
- Expandable to 16 Stations with expansion unit (Coming Soon)
- Makes adjustments to comply with regional watering restrictions
- Connects to real time hyper-local weather reports and forecasts
- Adapts the watering schedule based on variable inputs
- Can be controlled from any web-enabled device or computer

TECHNICAL SPECS

- 8 Station Smart Controller plus Master Valve / Pump
- Expandable to 16 Stations with expansion unit (Coming Soon)
- Makes adjustments to comply with regional watering restrictions
- Connects to real time hyper-local weather reports and forecasts
- Adapts the watering schedule based on variable inputs
- Can be controlled from any web-enabled device or computer

NETWORKING

- 802.11b
- 802.11g
- 802.11n (2.4 Ghz only)



skydrop™

Anywhere Access



ACCESS FROM ANY WEB-ENABLED DEVICE

You can manage your Skydrop smart controller using the controller itself, your preferred mobile device, or web browser. By connecting the Skydrop controller to your Wi-Fi network you can change settings or water at any time or any place.

WI-FI ENABLED

By connecting the Skydrop WiFi controller to your Wi-Fi network Skydrop WiFi Timer you can change settings or water your landscape or lawn at any time or from any place.



AUTOMATED WATERING

No one has time to be constantly adjusting and updating the water schedule for their lawn. Skydrops' proprietary algorithm gathers a variety of hyper-local data points creating from them a comprehensive and efficient watering schedule – dynamically adapting schedules without any intervention on your part throughout the season.

BEAUTIFULLY SIMPLE

The beautifully simple user interface makes Skydrop easy to navigate and setup. Gone are the days of struggling to understand and setup your lawn's irrigation. Skydrop can help you take back control of your yard, once and for all.



skydrop™ is Environment Friendly

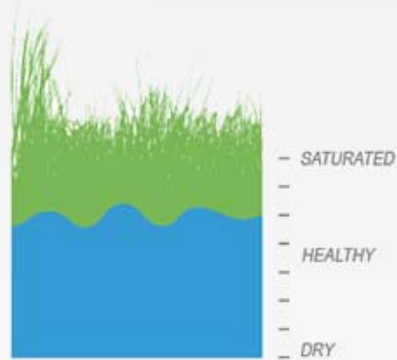
SKYDROP SAVES WATER & MONEY

Local weather changes can have drastic, daily implications on how much water is needed for any lawn or landscape. Skydrop automatically adjusts watering schedules to reduce wasteful watering, which will save you water and money.



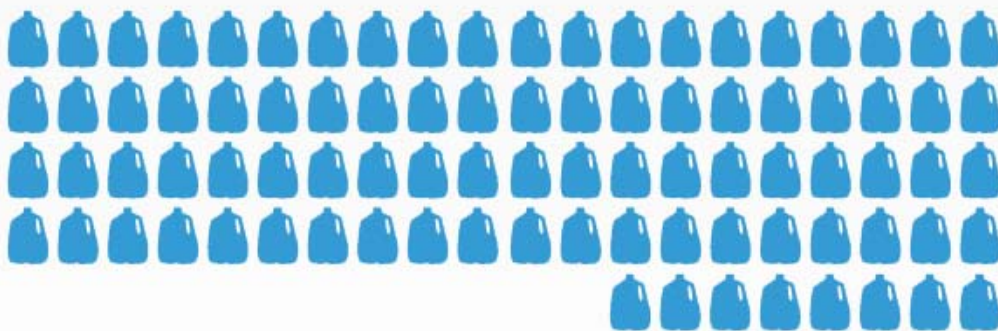
NO MORE WASTEFUL WATERING

Nothing is more wasteful than having your sprinklers on while it's raining. It's bad for the environment, and it costs you money!



WATER SMARTER

The Skydrop WiFi Smart controller helps you determine how much water your lawn needs. It actually calculates how much moisture your lawn is losing each day, and sets watering times accordingly, making sure your grass always has the optimum amount of water it needs to stay green and healthy.



IMAGINE USING 50% LESS WATER

The EPA estimates that about 30% of a household's water is used for irrigation. Over 50% of that irrigation water is wasted through over watering and evaporation. With Skydrop, those inefficiencies will be reduced by up to 50% by watering only by need, rather than watering by a set weekly schedule.



General FAQs

How many zones can the Skydrop Controller manage?

The standard Skydrop Controller is able to manage up to 8-zones. With Skydrop Expansion module an addition of 8-zones can be managed, for a total of 16-zones.

Where does the Skydrop Controller get its weather data?

Skydrop utilizes your Wi-Fi connection to the Skydrop cloud and our network of weather stations. The Skydrop cloud service constantly monitors real-time weather in your specific location and determines the optimal watering schedule based on what the weather conditions.

How is the Skydrop Controller installed?

Skydrop is very simple to install. It replaces your existing sprinkler timer, and the existing valve wires will plug directly into your new Skydrop Controller. Once you power up the controller for the first time, it will guide you through a Wi-Fi connection setup process. Once connected to Wi-Fi, it will gather weather data from the cloud, and also allows you to manage your system from a smartphone or computer.



View the [Quick Start Guide](#) for details or view the [Installation Video](#).

Can I manage settings differently for each zone?

Yes, each controller valve wire corresponds to a different zone. When you first setup your zones, Skydrop will ask questions regarding that particular condition or each zone. These conditions consist of soil, sprinkler, plant type, slope, shade, etc.

Which mobile devices are currently compatible with Skydrop?

Any Apple device running iOS 6.0 or newer & Android device running 4.0 (ice cream sandwich) or newer.

How can I download or update my Skydrop App?

The app can be downloaded through [links on our website](#). It is also available from the Apple App Store or Google Play store, by searching “Skydrop Mobile”. The app will prompt for regular updates as with any 3rd party app on your smartphone or tablet.

Do I need a mobile device, smartphone or browser to use Skydrop?

No. Skydrop can be controlled using the jog-dial & LCD screen on the device itself. Control can be accessed additionally from a computer, smartphone or tablet.

*Some advanced settings are available only via a browser or the app.

Are there any additional fees or costs associated with the Skydrop Controller?

No. There are no additional fees or costs associated with the purchase or use of the controller. The manufacturer suggested retail price of the controller is \$299.00 + tax.

Am I able to integrate my own personal weather station into the Skydrop Controller?

The controller cannot integrate with personal weather stations directly. Skydrop pulls hyper-local weather data for your controller from our vast network or weather stations near you. However, the ability to connect to a personal weather station linked to the [Weather Underground PWS Network](#) is in development and should be available in the second quarter of 2015.

How do I set up my Skydrop Controller account?

You can create a new account or login to an existing Skydrop account by going to my.skydrop.com or accessing the Skydrop Mobile app. Creating & accessing a personal Skydrop account will give you the ability to manage your sprinkler system remotely.

What type of power supply does Skydrop use?

The controller uses a 24V AC power supply. It is a small module which plugs directly into an AC socket, commonly known as a “wall wart.”

Does the controller add to my existing system or does it replace what I have?

The Skydrop controller will replace your existing sprinkler control system, but not existing valves or wires.

What browsers does the Skydrop web interface (my.skydrop.com) support?

Chrome, Safari & Firefox (IE9 or newer)



Can the Skydrop Controller be installed outside?

The device is built for indoor installation, but can be installed outdoors with use of an outdoor housing. Skydrop will be releasing an outdoor housing, which will be available in the later half of 2015.

Does the Skydrop Controller have lightning strike and EMI protection?

Yes. The Skydrop Controller is resistant to interference and meets all FCC standards for unintentional EMI radiation. Skydrop has built-in circuitry to protect against lightning strikes.

Is the Controller heat & cold resistant?

The Skydrop Controller is designed for indoor use (including the garage). Temperature resistance is a maximum 85C and minimum of -20C.

Can I set specific watering instructions on my Controller?

Yes. Skydrop's smart watering system allows you to set specific schedules based on day, time, duration or local watering restrictions.

How do I report a problem?

You can reach us by any of the following Support methods:

email – support@skydrop.com

chat – <http://www.skydrop.com/>

call – [1-844-SKYDROP](tel:1-844-SKYDROP) (844-759-3767)

How does Skydrop make water conservation better than other “smart” controllers?

The Skydrop controller will anticipate watering needs based on future weather

predictions. These weather updates are analyzed several times per day to ensure the greatest accuracy for your lawns watering needs. In addition, after the initial setup, the Skydrop controller enters a learning period where it will send notifications requesting feedback. With this information, Skydrop fine tunes the schedule and maximizes efficiency. See the article "[How Skydrop smart watering works](#)" for additional details on our smart watering methodology.

Does Skydrop help conserve water?

The EPA estimates that about 30% of a household's water is used for irrigation. Over 50% of that irrigation water is wasted through overwatering and evaporation. With Skydrop, those inefficiencies will be reduced by up to 50% by watering only based on need, rather than watering by a set weekly schedule.

Why is water conservation so important?

With water use in the United States increasing every year, many regions are starting to feel the pressure. In the last five years, nearly every region of the country has experienced a water shortage. At least 36 states are anticipating local, regional, or statewide water shortages by 2013, even under non-drought conditions. Most of these municipalities are placing restrictions on watering to combat drought conditions.

What happens if Skydrop loses its Internet connection?

If you have been connected to the Skydrop cloud service at any time, the controller will use a backup watering schedule based on the device's history. This schedule lacks the day-to-day smart watering intelligence, but will still operate using seasonal adjustments provided by historical data. If Skydrop does not have an active Internet connection, you will not be able to access your controller using a mobile device or web browser.



Date: November 10, 2015

Subject: Discussion Regarding Draft Surplus Recycled Water Exchange Agreement Between Yucaipa Valley Water District and Beaumont Cherry Valley Water District

At the board workshop on March 24, 2015, the District staff presented several items related to the ongoing drought (Workshop Memorandum Nos. 15-044 and 15-045) and the importance of constructing recycled water improvements to enhance our alternative water supply sources (Workshop Memorandum Nos. 15-046 and 15-047).

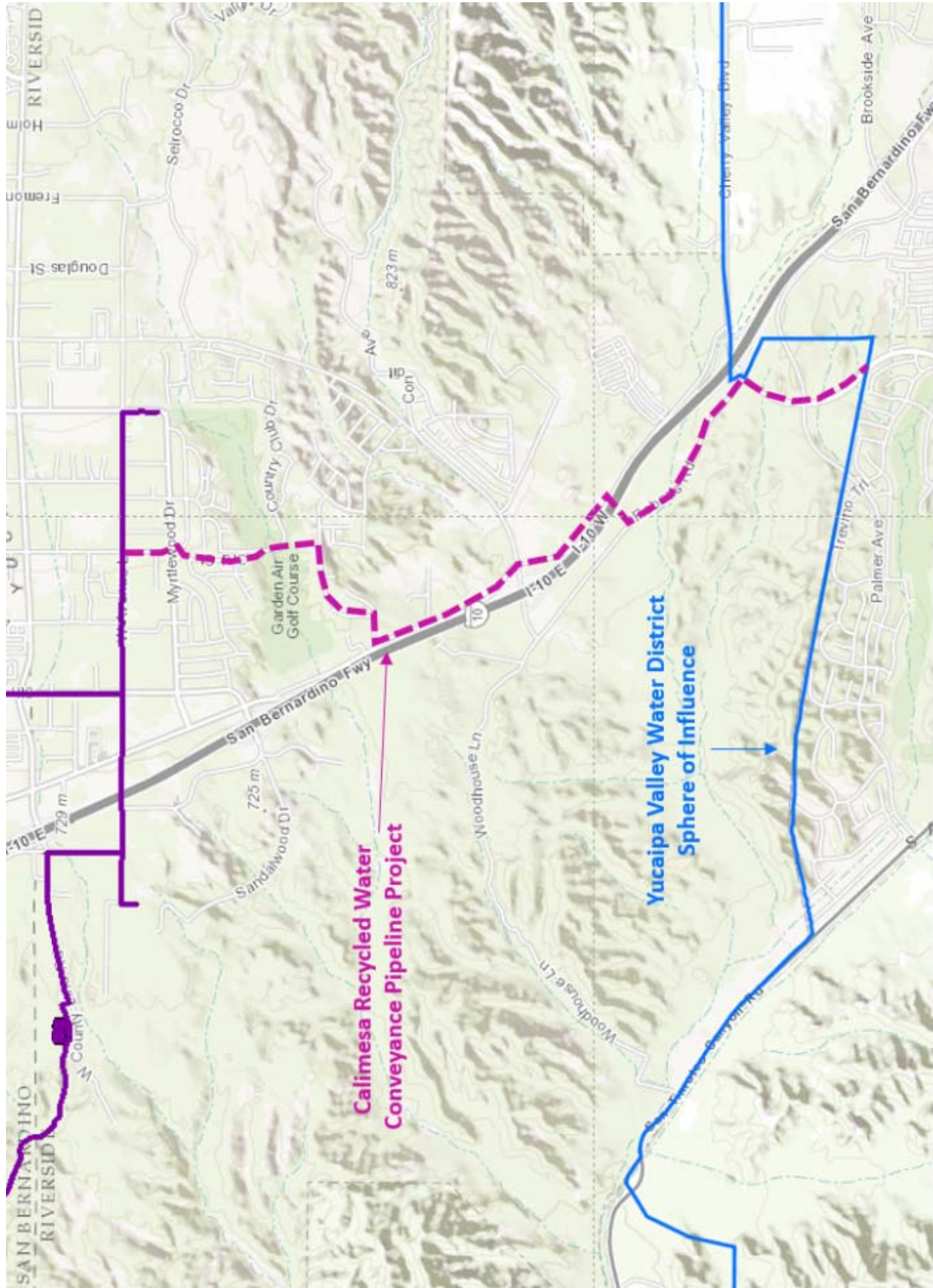
While areas throughout the State are wrestling with the implementation of various drought solutions, the Yucaipa Valley Water District has a recycled water system in place that will allow us to facilitate the construction of a new recycled water conveyance pipelines to further reduce the demands on regional water resources by about 2,000 acre feet per year. The new recycled water pipeline would interconnect the Yucaipa Valley Water District's recycled water system with the Beaumont Cherry Valley Water District's recycled water system.

With the construction of a recycled water interconnection pipeline, the two water agencies will be able to share recycled water resources. Initially, recycled water that is surplus to the needs of the Yucaipa Valley Water District customers will be made available to customers in the service area of the Beaumont Cherry Valley Water District. Within the next five years, the City of Beaumont will be expanding and adding desalination facilities to their wastewater treatment plant that will then be able to produce recycled water consistent with the water quality objectives enforced by the Regional Water Quality Control Board. Therefore, with an interconnected recycled water system, the recycled water resources that are surplus to the needs of the Yucaipa Valley Water District and generated from the Wochholz Regional Water Recycling Facility can be shared with the customers of the Beaumont Cherry Valley Water District. Likewise, the recycled water resources surplus to the needs of the Beaumont Cherry Valley Water District / City of Beaumont and generated from the City of Beaumont Wastewater Treatment Plant in the future can be shared with customers of the Yucaipa Valley Water District.

This type of exchange agreement is commonly implemented with drinking water supplies. As the drought continues to impact the State and more recycled water systems are constructed, the District staff envisions that there will be additional exchange agreements for sharing recycled water resources in the future.

On April 1, 2015, the Board of Directors authorized District staff to develop a recycled water exchange and purchase contract between the two agencies [Director Memorandum No. 15-029].

During this agenda item, the District staff will provide an update on the draft agreement.



AGREEMENT FOR RECYCLED WATER EXCHANGE BETWEEN THE YUCAIPA VALLEY WATER DISTRICT AND THE BEAUMONT CHERRY VALLEY WATER DISTRICT

The Yucaipa Valley Water District, a County Water District (hereinafter referred to as "YVWD") and Beaumont Cherry Valley Water District, an Irrigation District (hereinafter referred to as "BCVWD"), (hereinafter also referred to as "Party" or collectively as the "Parties"), do hereby agree to establish this Recycled Water Exchange Agreement ("Agreement"), to provide for the delivery and exchange of locally treated surplus recycled water between the Parties, subject to the following provisions.

1. DEFINITIONS

- A. "Judgment" means the Court ruling and order rendered in San Timoteo Watershed Management Authority v. City of Banning, et. al., Case No. RIC 389197, by the Superior Court of the State of California, County of Riverside, which governs the parties in that matter including YVWD and BCVWD relating to groundwater rights in the Beaumont Basin.
- B. "Receiving Entity" means the Party requesting and taking delivery of the Recycled Water.
- C. "Recycled Water" means a recycled water supply intended for non-potable use meets the water quality standards of Title 22 of the California Code of Regulations.
- D. "SGPWA" means the San Gorgonio Pass Water Agency, a State Water Contractor.
- E. "Supplying Entity" means the Party providing and delivering Recycled Water at the request of the Receiving Entity.
- F. "Surplus Recycled Water" means recycled water which is surplus to the needs of the Supplying Entity as determined in the sole discretion of the Supplying Entity.
- G. "Beaumont Basin" means the Upper San Timoteo area groundwater basin within which YVWD and BCVWD have groundwater pumping rights subject to and governed by the Judgment.
- H. "Year" means the calendar year beginning on January 1 to December 31.

2. POINT OF RECYCLED WATER EXCHANGE - FROM YVWD TO BCVWD

Recycled Water shall be delivered by YVWD as the Supplying Entity and received by BCVWD as the Receiving Entity at the following locations ("Interconnections") owned, operated and maintained by YVWD:

- A. Cherry Valley Boulevard Interconnection southwest of Interstate 10 north of Palmer Avenue (“Interconnection A”).
- B. Cherry Valley Boulevard Interconnection east of Interstate 10 at a future location to be determined (“Interconnection B”).
- C. Any agreed upon future recycled water system interconnections by the Parties.

3. POINT OF RECYCLED WATER EXCHANGE - FROM BCVWD TO YVWD

Recycled Water shall be delivered by BCVWD as the Supplying Entity and received by YVWD as the Receiving Entity at the following locations (“Interconnections”) owned, operated and maintained by BCVWD:

- A. At a future recycled water system interconnection(s) determined by the Parties.

4. SERVICE CONDITIONS

- A. Only those quantities and flow rates of Surplus Recycled Water may be made available to the Receiving Entity that will not adversely affect the Supplying Entity.
- B. The Surplus Recycled Water pressure shall be that of the Supplying Entity’s system at the time of delivery.
- C. All Surplus Recycled Water deliveries shall be considered interruptible.
- D. The details of Surplus Recycled Water delivery shall be by mutual agreement of the General Managers, or their designees, for BCVWD and YVWD.
- E. Neither Party will be obligated to provide any Recycled Water under this Agreement if either Party determines in its sole discretion, that Surplus Recycled Water is not available.

5. RECYCLED WATER INFRASTRUCTURE

YVWD has prepared design drawings and construction specifications for the Calimesa Recycled Water Conveyance Pipelines (“Pipelines”). These pipelines are generally illustrated in Exhibit “A”.

The construction schedule of these Pipelines are dependent upon the availability of funding from the Parties and the State Water Resources Control Board.

The Parties shall pursue funding for this project from the State Water Resources Control Board to facilitate the construction of the Pipelines.

At each Interconnection, the Supplying Entity will operate, maintain and own the above-ground and below ground infrastructure including, but not limited to, SCADA, electrical

power, meter, totalizer, valves, pressure regulators, and flow control systems. Ownership of recycled water facilities shall transition to the Receiving Entity 10 feet from the first valve downstream of the flow meter.

The Parties shall own, operate and maintain the Pipelines, reservoirs, boosters and other recycled water related infrastructure located within their respective service territories.

6. RECYCLED WATER EXCHANGES

Any Recycled Water supplied by YVWD to BCVWD, or by BCVWD to YVWD, through the Interconnection(s) subject to this Agreement shall be returned in like volume, or value, as measured and recorded by the meter at the Interconnection. The delivery of recycled water shall be provided at a 120-month rolling average salinity level equal to the Maximum Benefit Objective of the Beaumont Management Zone or 330 mg/l of total dissolved solids, whichever is higher. Recycled water quality data between the Parties shall be exchanged on a quarterly basis.

A. Interim Value-Based Exchange - Capital Cost Reimbursement / Recycled Water Pre-Payment

YVWD and BCVWD have jointly agreed to participate in the financing of the Pipelines. BCVWD shall deposit 50% of the actual construction contract (“deposited funds”) approved by the YVWD Board of Directors (excluding inspection and construction management services) minus State Water Resources Control Board grants in advance of YVWD awarding construction bids for the Pipeline project. The deposited funds will be applied by YVWD immediately towards the construction of the Pipelines. The amount of deposited funds shall result in a credit to BCVWD which will be applied to charges incurred by BCVWD for Surplus Recycled Water provided by YVWD to BCVWD at a cost equal to \$300 per acre foot of recycled water delivered by YVWD to BCVWD at the Interconnection until all deposited funds are exhausted. The Parties shall maintain records of the Interim Value-Based Exchanges which shall be reconciled at the end of each month.

B. Cost-Based Exchange Rate

The cost of Surplus Recycled Water supplied through the Interconnection(s) subject to this Agreement after the use of funds provided as the Interim Value-Based Exchange above, will be at a rate established by the governing Board of Directors of the Supplying Entity. This cost shall be modified at the sole discretion of the Supplying Entity. Unless otherwise approved by the Parties, Surplus Recycled Water shall be subject to the Cost-Based Exchange methodology with payment due to the Supplying Entity within thirty (30) calendar days from the date of each monthly invoice.

C. Value-Based Exchange Rate

In addition to or as a substitute for the Cost-Based Exchange Rate in Section 6.B. above, the Parties agree that there is a mutual benefit to utilize local water infrastructure for regional benefit. Therefore, the governing Board of Directors of each Party will develop independent rates, fees and charges for the use of other infrastructure such as recharge basins, desalination facilities, drinking water sources, Beaumont Basin groundwater held in storage that can be applied as like-value and exchanged between the Parties pursuant to the Value-Based Exchange concept.

The Parties shall maintain records of the Value-Based Exchanges which shall be reconciled by the 10th day following the last day of the preceding calendar month. Value-Based Exchanges shall be accounted up to a maximum dollar threshold each Calendar Year as determined and agreed to in writing between the Parties.

D. Volumetric-Based Exchange Rate

In addition to or as a substitute for the Cost-Based Exchange Rate in Section 6.B. above, any Recycled Water supplied through the Interconnection(s) subject to this Agreement may be returned in like volume as measured by the meter on the Interconnection, when requested by the Party supplying the Recycled Water. The Parties shall maintain records of the exchanges which shall be reconciled by the end of each year in either Recycled Water volume or value as described in Section 5.B.

If the Parties anticipate the use of a Volumetric-Based Exchange, the quantity of recycled water to be exchanged in a Calendar Year shall be approved in advance by the Board of Directors of both Parties.

7. ADDITIONAL RECYCLED WATER USES

The Parties agree to pursue the recharge of recycled water in the Beaumont Management Zone. The Parties will cooperate and proportionally share all costs and benefits associated with the proposed project.

8. INDEMNITY

In consideration of the terms and provisions of this Agreement, BCVWD and YVWD do hereby agree to relieve, release, defend, hold harmless and forever discharge the other Party and each of its officers, agents, and employees and each of them of and from any and all claims, rights, debts, liabilities, demands, obligations, liens, promises, acts, agreements, costs and expenses (including, but not limited to, attorney's fees and costs), damages, fines and penalties, actions and causes of action, of whatever kind or nature (including without limitation any statutory, civil or administrative claim), whether known or unknown, suspected or unsuspected, fixed or contingent, apparent or concealed, in any

way based on, arising out of or related to or connected with this Agreement or the delivery of Surplus Recycled Water to the other Party.

The obligations to indemnify, defend, and hold one another harmless shall remain in effect and shall be binding upon the Parties whether such injury or damage shall accrue or may be discovered before or after termination of this Agreement.

9. INSURANCE

Both BCVWD and YVWD represent that they are each insured and maintain the following limits:

- General Liability \$2,000,000;
- Automobile Liability \$2,000,000;
- Worker's Compensation Liability \$2,000,000.

Each of the Parties further warrant that the limits of their self-insurance coverage meet or exceed the requirements and obligations as set forth, and to the extent permitted by State law.

10. TERM

This Agreement shall have a minimum term of five years from the date of execution by the Parties but either party may terminate this Agreement upon ninety (90) days written notice to the other Party. Any funds on deposit or balances owed to a Party shall be reconciled and paid within 45 days following the date of termination of this Agreement.

11. NOTICES

All correspondence between the Parties to this Agreement shall be addressed as follows:

For BCVWD: General Manager
Beaumont Cherry Valley Water District
560 Magnolia Avenue
Beaumont, California 92223

For YVWD: General Manager
Yucaipa Valley Water District
12770 Second Street
Yucaipa, California 92399

12. ENTIRE AGREEMENT

This jointly prepared Agreement represents the entire integrated agreement between the Parties and supersedes all prior negotiations, representations or agreements, either

written or oral. This Agreement may be amended only by a written instrument signed by both Parties.

13. ASSIGNMENT

Nothing under this Agreement shall be construed to give any rights or benefits to any party other than the Parties hereto. Neither of the Parties shall assign any right or interest in this Agreement, nor delegate any duty owed, without the other's prior written consent. Any attempted assignment or delegation shall be void and totally ineffective for all purposes, and shall constitute a material breach and grounds for immediate termination or suspension of this Agreement. In the event the Parties consent to an assignment or delegation, the assignee, delegate, or its legal representative shall agree in writing to personally assume, perform, and be bound by this Agreement's covenants, conditions, obligations and provisions.

14. SUCCESSORS AND ASSIGNS

Subject to the provisions regarding assignment, this Agreement shall be binding on the heirs, executors, administrators, successors, and assigns of the respective Parties.

15. GOVERNING LAW

This Agreement shall be governed by the laws of the State of California.

16. SEVERABILITY

Should any Party, term or provisions of this Agreement be declared invalid, void or unenforceable, all remaining parts, terms and provisions hereof shall remain in full force and effect.

17. FORCE MAJEURE

Neither Party shall be considered in default in the performance of its obligations hereunder or any of them, if such obligations were prevented or delayed by any cause, existing or future beyond the reasonable control of such Party which include but are not limited to acts of God, labor disputes, civil unrest, water supply deficiencies, mechanical failure, interruption in electrical energy, natural disaster, drought, and regulatory issues.

18. DISPUTE RESOLUTION

Any dispute as to the construction, interpretation or implementation of this Agreement, or any rights or obligations hereunder, shall be submitted to non-binding mediation before a neutral, impartial mediation service that the Parties mutually agree upon in accordance with its rules for such mediation. In the event that the parties are not able to agree on a

neutral, impartial mediation service, then either Party may petition the Riverside County Superior Court to appoint a neutral, impartial mediator.

IN WITNESS WHEREOF, the Yucaipa Valley Water District and the Beaumont Cherry Valley Water District have duly executed this Agreement on this ____ day of _____, 2015.

BEAUMONT CHERRY VALLEY WATER DISTRICT

Jeffrey Cottrell, President Board of Directors

ATTEST:

Eric Fraser, General Manager

YUCAIPA VALLEY WATER DISTRICT

Lonni Granlund, President Board of Directors

ATTEST:

Joseph B. Zoba, General Manager

Exhibit "A"





Date: November 10, 2015

Subject: Discussion Regarding a Draft Joint Use Agreement for the Nobel Creek Recharge Facility

The Yucaipa Valley Water District continues to work closely with other agencies in the region to form productive and beneficial partnerships that improve the overall water reliability in the region. Currently, the District staff is discussing the development of a joint use agreement for the Nobel Creek Recharge Facility owned by Beaumont Cherry Valley Water District.



Nobel Creek Recharge Facility Owned and Operated by Beaumont Cherry Valley Water District

The purpose of this agenda item is to discuss the concepts of a joint use agreement that would provide Yucaipa Valley Water District with an opportunity to recharge water in the Beaumont Basin.

**AGREEMENT FOR THE JOINT USE OF THE
NOBLE CREEK RECHARGE FACILITY BETWEEN THE
BEAUMONT CHERRY VALLEY WATER BCVWD AND THE
YUCAIPA VALLEY WATER DISTRICT**

THIS AGREEMENT is by and among the BEAUMONT-CHERRY VALLEY WATER DISTRICT ("BCVWD"), YUCAIPA VALLEY WATER DISTRICT ("YVWD"), collectively hereinafter called "PARTIES".

RECITALS

- A. San Geronio Pass Water Agency ("AGENCY") has a contract with the State of California to import supplemental water from the State Water Project and other sources when available to the San Geronio Pass Area. BCVWD and YVWD may purchase water from the AGENCY for their respective use.
- B. PARTIES desire to recharge the Beaumont Groundwater Basin with supplemental water.
- C. BCVWD has constructed, owns, and operates existing spreading basins at Brookside and Beaumont Avenue known as the Noble Creek Recharge Facility ("SPREADING BASINS").
- D. BCVWD is the fee owner of the land containing those spreading basins in the form of percolation ponds and operates extraction wells nearby said ponds.
- E. BCVWD has the right to use its land pursuant to its authority as an Irrigation District duly formed and operating under the laws of the State of California for purposes including, but not limited to groundwater recharge.
- F. The proposed use contemplated by this Agreement of the SPREADING BASINS for recharge of imported supplemental water by YVWD is consistent with said existing uses and will further the intent of the parties to provide for banking of supplemental imported water for future use by, or credit to, YVWD.

NOW, THEREFORE, BCVWD and YVWD in consideration of the mutual promises as set forth herein, agree to the following:

- 1. RECHARGE: Subject to the rights of BCVWD and YVWD as provided herein, YVWD may recharge supplemental water into the SPREADING BASINS upon mutual agreement of the PARTIES on the timing and amounts of water to be delivered.

2. **RECHARGE FEE:** In consideration for the utilization of the recharge facility to recharge water obtained from AGENCY, YVWD shall pay BCVWD an amount of \$61.14 per acre foot of supplemental water delivered by the AGENCY to the SPREADING BASINS. BCVWD may revise the RECHARGE FEE with 180 day written notice to YVWD based on actual costs of operation, with all such costs, calculations and supporting documentation shown in the notice. YVWD agrees to pay invoices issued by the BCVWD within 30 days of issuance, provided that none of the changes are contested. The BCVWD at its sole discretion may accept the delivery of recycled water in lieu of payment as described above.
3. **FACILITY OWNERSHIP:** YVWD shall not claim, or otherwise be entitled to, ownership of any water rights of local waters as a result of recharge activities conducted by BCVWD at the SPREADING BASINS. BCVWD shall not claim or otherwise be entitled to ownership of any water supply or water rights in supplemental water imported by YVWD.
4. **DISCONTINUANCE OF WATER RECHARGE:** YVWD shall immediately discontinue recharge of supplemental water upon receipt of written notice by BCVWD that based on local surface water flow in Little San Gorgonio Creek, Noble Creek, or other local sources of supply sufficient capacity does not exist to allow for use of the SPREADING BASINS. BCVWD shall notify YVWD in writing when supplemental imported water recharge can be resumed.
5. **DISCONTINUANCE OR REDUCTION OF DELIVERIES TO YVWD FOR MAINTENANCE REASONS:** PARTIES agree that the use and operation of the SPREADING BASINS is under full control by BCVWD and that supplemental water deliveries to BCVWD shall take priority in the event SPREADING BASIN capacity is limited due to maintenance or other reasons. BCVWD shall make reasonable attempts to accommodate YVWD deliveries but does not guarantee any minimum annual percolation rates or SPREADING BASIN capacity to accommodate YVWD deliveries from AGENCY.
6. **SPREADING NOT REQUIRED:** Nothing in this Agreement shall require YVWD to take delivery of supplemental water at the SPREADING BASINS. YVWD does not guarantee any minimum amount of supplemental imported water to the SPREADING BASINS.
7. **PURCHASE OF SUPPLEMENTAL WATER:** YVWD shall be solely responsible for the cost of all supplemental imported water ordered and delivered from AGENCY for YVWD use. BCVWD shall be responsible for the cost of all water ordered and delivered by AGENCY for BCVWD use.
8. **TERM:** The initial term for this Agreement shall be for a period of five (5) years from the date of execution, or until December 31, 2020, whichever is later. The initial term may be extended upon the written agreement of the PARTIES prior to expiration of the then current term. However, and notwithstanding the five (5) year

- term, each PARTY shall have the right to terminate this Agreement upon thirty (30) days prior written notice to the other PARTY.
9. **MONITORING AND REPORTS:** YVWD agrees to provide BCVWD with copies of all invoices issued by AGENCY that reflect the amount of water ordered for YVWD use and delivered to SPREADING BASINS. Said invoices and confirmed deliveries by the AGENCY shall be used as the basis for establishing the RECHARGE FEE due to BCVWD.
 10. **DISPUTE RESOLUTION :** Any controversy between the PARTIES regarding the construction of improvements, application or interpretation of this Agreement, and/or any claim arising out of this Agreement, must be submitted to non-binding mediation before a neutral, qualified mediator from a reputable mediation service such as Judicial Arbitration & Mediation Services. No judicial or other action may be commenced before such mediation occurs.
 11. **ASSIGNMENT:** This Agreement shall be binding upon the transferees, assignees/successors, and assigns of the parties hereto.
 12. **INDEMNITY, HOLD HARMLESS:**
 - A. YVWD shall indemnify and hold harmless BCVWD and the officers, directors, employees, and authorized volunteers of BCVWD, from and against any damage, liability, or cost (including attorneys' fees and costs of defense) to the extent caused by YVWD's negligent acts, errors, or omissions in connection with activities under this Agreement, including subcontractors or others for whom AGENCY is legally liable. YVWD's obligation to indemnify and hold harmless shall not be restricted to available insurance proceeds.
 - B. BCVWD shall indemnify and hold harmless YVWD and the officers, directors, employees, and authorized volunteers of YVWD, from and against any damage, liability, or cost (including attorneys' fees and costs of defense) to the extent caused by BCVWD's negligent acts, errors, or omissions in connection with activities under this Agreement. BCVWD's obligation to indemnify and hold harmless shall not be restricted to available insurance proceeds.
 13. **INSURANCE:** Each party agrees to carry \$1,000,000 / \$2,000,000 (occurrence/general and products/completed operations aggregate) of commercial general liability coverage and each party agrees to give the other, its directors, officers, employees, or authorized volunteers insured status under its policy using ISO endorsement CG 2010, or equivalent, and to provide a certificate of insurance and additional insured endorsement. If any PARTY is self-insured for legal liability, it is understood that said coverage will be equal to, or greater than, the amount identified above.

14. This Agreement shall become effective upon receipt by each of the PARTIES of two executed counterpart signature pages from each of the other PARTIES.

IN WITNESS WHEREOF, the Yucaipa Valley Water District and the Beaumont Cherry Valley Water District have duly executed this Agreement on this _____ day of _____, 2015.

BEAUMONT CHERRY VALLEY WATER DISTRICT

Jeffrey Cottrell, President Board of Directors

ATTEST:

Eric Fraser, General Manager

YUCAIPA VALLEY WATER DISTRICT

Lonni Granlund, President Board of Directors

ATTEST:

Joseph B. Zoba, General Manager

Director Comments



Yucaipa Valley Water District



FACTS ABOUT THE YUCAIPA VALLEY WATER DISTRICT

Service Area Size: 40 square miles (sphere of influence is 68 square miles)

Elevation Change: 3,140 foot elevation change (from 2,044 to 5,184 feet)

Number of Employees: 5 elected board members
57 full time employees

Operating Budget: Water Division - \$13,072,750
Sewer Division - \$11,689,000
Recycled Water Division - \$433,500
Total Annual Budget - \$25,195,250

Number of Services: 12,206 water connections serving 16,843 units
13,492 sewer connections serving 20,312 units
62 recycled water connections

Water System: 215 miles of drinking water pipelines
27 reservoirs - 34 million gallons of storage capacity
18 pressure zones
12,000 ac-ft annual water demand (3.9 billion gallons)
Two water filtration facilities:
- 1 mgd at Oak Glen Surface Water Filtration Facility
- 12 mgd at Yucaipa Valley Regional Water Filtration Facility

Sewer System: 8.0 million gallon treatment capacity - current flow at 4.0 mgd
205 miles of sewer mainlines
5 sewer lift stations
4,500 ac-ft annual recycled water prod. (1.46 billion gallons)

Recycled Water: 22 miles of recycled water pipelines
5 reservoirs - 12 million gallons of storage
1,200 ac-ft annual recycled demand (0.4 billion gallons)

Brine Disposal: 2.2 million gallon desalination facility at sewer treatment plant
1.108 million gallons of Inland Empire Brine Line capacity
0.295 million gallons of treatment capacity in Orange County



THE MEASUREMENT OF WATER PURITY

One part per hundred is generally represented by the percent (%).
This is equivalent to about fifteen minutes out of one day.

One part per thousand denotes one part per 1000 parts.
This is equivalent to about one and a half minutes out of one day.

One part per million (ppm) denotes one part per 1,000,000 parts.
This is equivalent to about 32 seconds out of a year.

One part per billion (ppb) denotes one part per 1,000,000,000 parts.
This is equivalent to about three seconds out of a century.

One part per trillion (ppt) denotes one part per 1,000,000,000,000 parts.
This is equivalent to about three seconds out of every hundred thousand years.

One part per quadrillion (ppq) denotes one part per 1,000,000,000,000,000 parts.
This is equivalent to about two and a half minutes out of the age of the Earth (4.5 billion years).





GLOSSARY OF COMMONLY USED TERMS

Every profession has specialized terms which generally evolve to facilitate communication between individuals. The routine use of these terms tends to exclude those who are unfamiliar with the particular specialized language of the group. Sometimes jargon can create communication cause difficulties where professionals in related fields use different terms for the same phenomena.

Below are commonly used water terms and abbreviations with commonly used definitions. If there is any discrepancy in definitions, the District's Regulations Governing Water Service is the final and binding definition.

Acre Foot of Water - The volume of water (325,850 gallons, or 43,560 cubic feet) that would cover an area of one acre to a depth of 1 foot.

Activated Sludge Process – A secondary biological sewer treatment process where bacteria reproduce at a high rate with the introduction of excess air or oxygen, and consume dissolved nutrients in the wastewater.

Annual Water Quality Report - The document is prepared annually and provides information on water quality, constituents in the water, compliance with drinking water standards and educational material on tap water. It is also referred to as a Consumer Confidence Report (CCR).

Aquifer - The natural underground area with layers of porous, water-bearing materials (sand, gravel) capable of yielding a supply of water; see Groundwater basin.

Backflow - The reversal of water's normal direction of flow. When water passes through a water meter into a home or business it should not reverse flow back into the water mainline.

Best Management Practices (BMPs) - Methods or techniques found to be the most effective and practical means in achieving an objective. Often used in the context of water conservation.

Biochemical Oxygen Demand (BOD) – The amount of oxygen used when organic matter undergoes decomposition by microorganisms. Testing for BOD is done to assess the amount of organic matter in water.

Biosolids – Biosolids are nutrient rich organic and highly treated solid materials produced by the sewer treatment process. This high-quality product can be used as a soil amendment on farm land or further processed as an earth-like product for commercial and home gardens to improve and maintain fertile soil and stimulate plant growth.

Catch Basin – A chamber usually built at the curb line of a street, which conveys surface water for discharge into a storm sewer.

Capital Improvement Program (CIP) – Projects for repair, rehabilitation, and replacement of assets. Also includes treatment improvements, additional capacity, and projects for the support facilities.

Collector Sewer – The first element of a wastewater collection system used to collect and carry wastewater from one or more building sewer laterals to a main sewer.

Coliform Bacteria – A group of bacteria found in the intestines of humans and other animals, but also occasionally found elsewhere and is generally used as an indicator of sewage pollution.

Combined Sewer Overflow – The portion of flow from a combined sewer system, which discharges into a water body from an outfall located upstream of a wastewater treatment plant, usually during wet weather conditions.

Combined Sewer System– Generally older sewer systems designed to convey both sewage and storm water into one pipe to a wastewater treatment plant.

Conjunctive Use - The coordinated management of surface water and groundwater supplies to maximize the yield of the overall water resource. Active conjunctive use uses artificial recharge, where surface water is intentionally percolated or injected into aquifers for later use. Passive conjunctive use is to simply rely on surface water in wet years and use groundwater in dry years.

Consumer Confidence Report (CCR) - see Annual Water Quality Report.

Cross-Connection - The actual or potential connection between a potable water supply and a non-potable source, where it is possible for a contaminant to enter the drinking water supply.

Disinfection By-Products (DBPs) - The category of compounds formed when disinfectants in water systems react with natural organic matter present in the source water supplies. Different disinfectants produce different types or amounts of disinfection byproducts. Disinfection byproducts for which regulations have been established have been identified in drinking water, including trihalomethanes, haloacetic acids, bromate, and chlorite

Drought - a period of below average rainfall causing water supply shortages.

Dry Weather Flow – Flow in a sanitary sewer during periods of dry weather in which the sanitary sewer is under minimum influence of inflow and infiltration.

Fire Flow - The ability to have a sufficient quantity of water available to the distribution system to be delivered through fire hydrants or private fire sprinkler systems.

Gallons per Capita per Day (GPCD) - A measurement of the average number of gallons of water use by the number of people served each day in a water system. The calculation is made by dividing the total gallons of water used each day by the total number of people using the water system.

Groundwater Basin - An underground body of water or aquifer defined by physical boundaries.

Groundwater Recharge - The process of placing water in an aquifer. Can be a naturally occurring process or artificially enhanced.

Hard Water - Water having a high concentration of minerals, typically calcium and magnesium ions.

Hydrologic Cycle - The process of evaporation of water into the air and its return to earth in the form of precipitation (rain or snow). This process also includes transpiration from plants, percolation into the ground, groundwater movement, and runoff into rivers, streams and the ocean; see Water cycle.

Infiltration – Water other than sewage that enters a sewer system and/or building laterals from the ground through defective pipes, pipe joints, connections, or manholes. Infiltration does not include inflow. See *Inflow*.

Inflow - Water other than sewage that enters a sewer system and building sewer from sources such as roof vents, yard drains, area drains, foundation drains, drains from springs and swampy areas, manhole covers, cross connections between storm drains and sanitary sewers, catch basins, cooling towers, storm waters, surface runoff, street wash waters, or drainage. Inflow does not include infiltration. See *Infiltration*.

Inflow / Infiltration (I/I) – The total quantity of water from both inflow and infiltration.

Mains, Distribution - A network of pipelines that delivers water (drinking water or recycled water) from transmission mains to residential and commercial properties, usually pipe diameters of 4" to 16".

Mains, Transmission - A system of pipelines that deliver water (drinking water or recycled water) from a source of supply the distribution mains, usually pipe diameters of greater than 16".

Meter - A device capable of measuring, in either gallons or cubic feet, a quantity of water delivered by the District to a service connection.

Overdraft - The pumping of water from a groundwater basin or aquifer in excess of the supply flowing into the basin. This pumping results in a depletion of the groundwater in the basin which has a net effect of lowering the levels of water in the aquifer.

Peak Flow – The maximum flow that occurs over a specific length of time (e.g., daily, hourly, instantaneously).

Pipeline - Connected piping that carries water, oil or other liquids. See Mains, Distribution and Mains, Transmission.

Point of Responsibility, Metered Service - The connection point at the outlet side of a water meter where a landowner's responsibility for all conditions, maintenance, repairs, use and replacement of water service facilities begins, and the District's responsibility ends.

Potable Water - Water that is used for human consumption and regulated by the California Department of Public Health.

Pressure Reducing Valve - A device used to reduce the pressure in a domestic water system when the water pressure exceeds desirable levels.

Pump Station - A drinking water or recycled water facility where pumps are used to push water up to a higher elevation or different location.

Reservoir - A water storage facility where water is stored to be used at a later time for peak demands or emergencies such as fire suppression. Drinking water and recycled water systems will typically use concrete or steel reservoirs. The State Water Project system considers lakes, such as Shasta Lake and Folsom Lake to be water storage reservoirs.

Runoff - Water that travels downward over the earth's surface due to the force of gravity. It includes water running in streams as well as over land.

Sanitary Sewer System - Sewer collection system designed to carry sewage, consisting of domestic, commercial, and industrial wastewater. This type of system is not designed nor intended to carry water from rainfall, snowmelt, or groundwater sources. See *Combined Sewer System*.

Sanitary Sewer Overflow – Overflow from a sanitary sewer system caused when total wastewater flow exceeds the capacity of the system. See *Combined Sewer Overflow*.

Santa Ana River Interceptor (SARI) Line – A regional brine line designed to convey 30 million gallons per day of non-reclaimable wastewater from the upper Santa Ana River basin to the sewer treatment plant operated by Orange County Sanitation District.

Secondary Treatment – Biological sewer treatment, particularly the activated-sludge process, where bacteria and other microorganisms consume dissolved nutrients in wastewater.

Supervisory Control and Data Acquisition (SCADA) - A computerized system which provides the ability to remotely monitor and control water system facilities such as reservoirs, pumps and other elements of water delivery.

Service Connection - The water piping system connecting a customer's system with a District water main beginning at the outlet side of the point of responsibility, including all plumbing and equipment located on a parcel required for the District's provision of water service to that parcel.

Sludge – Untreated solid material created by the treatment of sewage.

Smart Irrigation Controller - A device that automatically adjusts the time and frequency which water is applied to landscaping based on real-time weather such as rainfall, wind, temperature and humidity.

Special District - A political subdivision of a state established to provide a public services, such as water supply or sanitation, within a specific geographic area.

Surface Water - Water found in lakes, streams, rivers, oceans or reservoirs behind dams.

Total Suspended Solids (TSS) – The amount of solids floating and in suspension in water or sewage.

Transpiration - The process by which water vapor is released into the atmosphere by living plants.

Trickling Filter – A biological secondary treatment process in which bacteria and other microorganisms, growing as slime on the surface of rocks or plastic media, consume nutrients in primary treated sewage as it trickles over them.

Underground Service Alert (USA) - A free service that notifies utilities such as water, telephone, cable and sewer companies of pending excavations within the area (dial 8-1-1 at least 2 working days before you dig).

Urban Runoff - Water from city streets and domestic properties that typically carries pollutants into the storm drains, rivers, lakes, and oceans.

Valve - A device that regulates, directs or controls the flow of water by opening, closing or partially obstructing various passageways.

Wastewater – Any water that enters the sanitary sewer.

Water Banking - The practice of actively storing or exchanging in-lieu surface water supplies in available groundwater basin storage space for later extraction and use by the storing party or for sale or exchange to a third party. Water may be banked as an independent operation or as part of a conjunctive use program.

Water cycle - The continuous movement water from the earth's surface to the atmosphere and back again; see Hydrologic cycle.

Water Pressure - Pressure created by the weight and elevation of water and/or generated by pumps that deliver water to the tap.

Water Service Line - The pipeline that delivers potable water to a residence or business from the District's water system. Typically the water service line is a 1" to 1½" diameter pipe for residential properties.

Watershed - A region or land area that contributes to the drainage or catchment area above a specific point on a stream or river.

Water Table - The upper surface of the zone of saturation of groundwater in an unconfined aquifer.

Water Transfer - A transaction, in which a holder of a water right or entitlement voluntarily sells/exchanges to a willing buyer the right to use all or a portion of the water under that water right or entitlement.

Water Well - A hole drilled into the ground to tap an underground water aquifer.

Wetlands - Lands which are fully saturated or under water at least part of the year, like seasonal vernal pools or swamps.

Wet Weather Flow – Dry weather flow combined with stormwater introduced into a combined sewer system, and dry weather flow combined with infiltration/inflow into a separate sewer system.





COMMONLY USED ABBREVIATIONS

AQMD	Air Quality Management District
BOD	Biochemical Oxygen Demand
CARB	California Air Resources Board
CCTV	Closed Circuit Television
CWA	Clean Water Act
EIR	Environmental Impact Report
EPA	U.S. Environmental Protection Agency
FOG	Fats, Oils, and Grease
GPD	Gallons per day
MGD	Million gallons per day
O & M	Operations and Maintenance
OSHA	Occupational Safety and Health Administration
POTW	Publicly Owned Treatment Works
PPM	Parts per million
RWQCB	Regional Water Quality Control Board
SARI	Santa Ana River Inceptor
SAWPA	Santa Ana Watershed Project Authority
SBVMWD	San Bernardino Valley Municipal Water District
SCADA	Supervisory Control and Data Acquisition system
SSMP	Sanitary Sewer Management Plan
SSO	Sanitary Sewer Overflow
SWRCB	State Water Resources Control Board
TDS	Total Dissolved Solids
TMDL	Total Maximum Daily Load
TSS	Total Suspended Solids
WDR	Waste Discharge Requirements
YVWD	Yucaipa Valley Water District